

Final Budget Outcome

2017-18

September 2018

Statement by

The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

and

Senator the Honourable Mathias Cormann
Minister for Finance and the Public Service
of the Commonwealth of Australia

For the information of honourable members

© Commonwealth of Australia 2018

ISSN: 2205-6750 (Print) 2205-6769 (Online)

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, third party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Commonwealth of Australia material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

Commonwealth of Australia material used 'as supplied'.

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Commonwealth of Australia statistics – then Commonwealth of Australia prefers the following attribution:

Source: *The Commonwealth of Australia*.

Derivative material

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/government/commonwealth-coat-arms).

Other uses

Enquiries regarding this licence and any other use of this document are welcome at:

Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: medialiaison@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd.

FOREWORD

The Final Budget Outcome for 2017-18 has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that, inter alia, the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2017-18 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2017-18 together with an analysis of the Final Budget Outcome for 2017-18. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2017-18 with the Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2017-18 on Australia's Federal Relations, updated from that contained in the 2018-19 Budget Paper No. 3, *Federal Financial Relations*.

Appendix A contains expenses data on a functional and sub-functional basis. Historical Australian Government data are presented in **Appendix B**.

CONTENTS

Foreword	iii
Part 1: Australian Government Budget Outcome 2017-18	1
Overview	1
Underlying cash balance.....	2
Net operating balance	7
Headline cash balance estimates	12
Net debt, net financial worth and net worth.....	13
Part 2: Australian Government Financial Statements	15
Australian Government financial statements	16
Financial reporting standards and budget concepts	45
Part 3: Australia's Federal Relations	55
Overview of payments to the States	55
Payments for specific purposes	55
General revenue assistance	59
Payments to the States	63
Appendix A: Expenses by Function and Sub-function	79
Appendix B: Historical Australian Government data	83

NOTES

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- figures under \$100,000 are rounded to the nearest thousand;
 - figures \$100,000 and over are generally rounded to the nearest tenth of a million;
 - figures midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---|
| - | nil |
| na | not applicable (unless otherwise specified) |
| .. | not zero, but rounded to zero |
| \$m | millions of dollars |
| \$b | billions of dollars |
| NEC/nec | not elsewhere classified |

- (e) The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. References to the 'States' or 'each State' include the Territories. The following abbreviations are used for the names of the States, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

- (f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME 2017-18

OVERVIEW

In 2017-18, the Australian Government general government sector recorded an underlying cash deficit of \$10.1 billion (0.6 per cent of gross domestic product (GDP)). The net operating balance was in deficit by \$4.0 billion (0.2 per cent of GDP).

The Final Budget Outcome for 2017-18 was a \$19.3 billion improvement compared with the underlying cash deficit estimated at the time of the 2017-18 Budget. Total receipts were \$13.4 billion higher than expected and total payments were \$6.9 billion lower than expected. Net Future Fund earnings were \$1.1 billion higher than expected at the time of the 2017-18 Budget.

In net operating terms, the Final Budget Outcome for 2017-18 improved by \$15.8 billion compared with the net operating deficit estimated at the time of the 2017-18 Budget, with revenue \$11.9 billion higher and expenses \$4.0 billion lower than the 2017-18 Budget estimates.

Real GDP grew by 2.9 per cent in 2017-18, slightly stronger than the 2¾ per cent growth forecast in the 2017-18 Budget. Growth in consumption, non-mining business investment and public final demand was stronger than expected, while the detraction from mining investment was smaller than expected. These positive impacts were partly offset by dwelling investment and net exports which detracted from growth. Nominal GDP grew by 4.7 per cent in 2017-18, which was significantly stronger than the 2017-18 Budget forecast of 4 per cent. This was the result of the stronger-than-expected real GDP growth and higher-than-assumed prices for key commodities. Labour market conditions were strong with almost 350,000 jobs created in 2017-18. Employment grew by 2.7 per cent through the year to the June quarter 2018, well above the 1½ per cent growth forecast in the 2017-18 Budget. The unemployment rate was 5.4 per cent in the June quarter 2018, lower than the 5¾ per cent forecast in the 2017-18 Budget. The Wage Price Index increased by 2.1 per cent through the year to the June quarter 2018, with growth in the final quarter slightly stronger at 0.6 per cent. The Wage Price Index growth forecast in the 2017-18 Budget was 2½ per cent.

Australian Government general government sector net debt was \$342.0 billion (18.6 per cent of GDP) at the end of 2017-18, which is \$13.0 billion lower than estimated at the time of the 2017-18 Budget. Australian Government general government sector net financial worth was negative \$562.2 billion and net worth was negative \$418.1 billion at the end of 2017-18.

Table 1: Australian Government general government sector budget aggregates

	2016-17 Outcome \$b	2017-18 Estimate at 2017-18 Budget \$b	2017-18 Estimate at 2018-19 Budget \$b	2017-18 Outcome \$b	Change on 2017-18 Budget \$b
Receipts	409.9	433.5	445.1	446.9	13.4
Per cent of GDP	23.3	23.8	24.3	24.3	
Payments(a)	439.4	459.7	459.9	452.7	-6.9
Per cent of GDP	25.0	25.2	25.1	24.6	
Net Future Fund earnings	3.6	3.2	3.5	4.3	1.1
Underlying cash balance(b)	-33.2	-29.4	-18.2	-10.1	19.3
Per cent of GDP	-1.9	-1.6	-1.0	-0.6	
Revenue	415.7	444.4	456.2	456.3	11.9
Per cent of GDP	23.6	24.4	24.9	24.8	
Expenses	447.8	464.3	468.8	460.3	-4.0
Per cent of GDP	25.5	25.5	25.5	25.0	
Net operating balance	-32.1	-19.8	-12.6	-4.0	15.8
Per cent of GDP	-1.8	-1.1	-0.7	-0.2	
Net capital investment	2.9	0.5	0.7	1.3	0.8
Fiscal balance	-35.0	-20.3	-13.4	-5.3	15.0
Per cent of GDP	-2.0	-1.1	-0.7	-0.3	
<i>Memorandum item:</i>					
Headline cash balance	-43.0	-48.4	-37.1	-25.9	22.5

(a) Equivalent to cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(b) Excludes net Future Fund earnings.

UNDERLYING CASH BALANCE

The 2017-18 underlying cash deficit was \$10.1 billion, an improvement of \$19.3 billion compared with the estimate at the time of the 2017-18 Budget. This was the result of higher receipts of \$13.4 billion and lower payments of \$6.9 billion, partly offset by higher net Future Fund earnings of \$1.1 billion.

Table 2: Summary of Australian Government general government sector cash flows

	2017-18 Estimate at 2017-18 Budget \$b	2017-18 Estimate at 2018-19 Budget \$b	2017-18 Outcome \$b	Change on 2017-18 Budget \$b
Cash receipts				
Operating cash receipts	432.1	443.8	445.6	13.4
Capital cash receipts(a)	1.4	1.3	1.3	0.0
Total cash receipts	433.5	445.1	446.9	13.4
Cash payments				
Operating cash payments	446.2	445.8	439.9	-6.3
Capital cash payments(b)	13.5	14.1	12.7	-0.8
Total cash payments	459.7	459.9	452.6	-7.1
GFS cash surplus(+)/deficit(-)	-26.2	-14.7	-5.7	20.5
Per cent of GDP	-1.4	-0.8	-0.3	
<i>less</i> Finance leases and similar arrangements(c)	0.0	0.0	0.1	0.1
<i>less</i> Net Future Fund earnings	3.2	3.5	4.3	1.1
Underlying cash balance(d)	-29.4	-18.2	-10.1	19.3
Per cent of GDP	-1.6	-1.0	-0.6	
<i>Memorandum items:</i>				
Net cash flows from investments in financial assets for policy purposes	-22.2	-22.4	-20.0	2.2
<i>plus</i> Net Future Fund earnings	3.2	3.5	4.3	1.1
Headline cash balance	-48.4	-37.1	-25.9	22.5

(a) Equivalent to cash receipts from the sale of non-financial assets in the cash flow statement.

(b) Equivalent to cash payments for purchases of non-financial assets in the cash flow statement.

(c) The acquisition of assets under finance leases worsens the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.

(d) Excludes net Future Fund earnings.

Receipts

Total receipts for 2017-18 were \$446.9 billion, \$13.4 billion higher than forecast in the 2017-18 Budget.

Tax receipts were \$418.1 billion, \$13.8 billion higher than the estimate at the 2017-18 Budget. Compared with the 2017-18 Budget, company tax receipts, income tax withholding, superannuation fund taxes and excise and customs duty receipts were higher than expected. This was partially offset by lower-than-expected other individuals tax receipts.

- Company tax receipts were \$6.8 billion (8.7 per cent) above the 2017-18 Budget estimate, consistent with higher-than-expected growth in corporate profits and stronger-than-expected results from ATO compliance activity.

Part 1: Australian Government Budget Outcome 2017-18

- Receipts from total individuals and other withholding taxes were \$2.4 billion (1.2 per cent) above the 2017-18 Budget estimate. This was mainly driven by higher income tax withholding receipts, which were \$5.3 billion above the 2017-18 Budget estimate, reflecting stronger employment growth. This was partially offset by other individuals tax receipts, which were \$2.8 billion below the 2017-18 Budget estimate, consistent with lower-than-expected outcomes for unincorporated business income.
- Receipts from superannuation fund taxes were \$2.3 billion (27.7 per cent) above the 2017-18 Budget estimate, reflecting higher-than-expected capital gains due to some superannuation funds exhausting their stock of losses and strong net foreign exchange gains in the 2016-17 income year.
- Total excise and customs duty receipts were \$1.5 billion (4.0 per cent) above the 2017-18 Budget estimate reflecting higher-than-expected fuel and tobacco collections.
- Receipts from the GST were \$676 million (1.1 per cent) above the 2017-18 Budget estimate, consistent with stronger growth in consumption.

Non-tax receipts were \$28.9 billion in 2017-18, \$0.3 billion lower than estimated at the time of the 2017-18 Budget. Excluding Future Fund receipts, non-tax receipts were \$24.0 billion in 2017-18, \$1.6 billion lower than estimated at the time of the 2017-18 Budget. This decrease largely reflects non-tax cash receipts that will be received later than was expected at the 2017-18 Budget.

Table 3: Australian Government general government sector (cash) receipts

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
Individuals and other withholding taxes				
Gross income tax withholding	186,900	190,600	192,229	5,329
Gross other individuals	46,700	44,200	43,866	-2,834
less: Refunds	29,000	29,100	29,102	102
Total individuals and other withholding tax	204,600	205,700	206,993	2,393
Fringe benefits tax	4,340	4,050	3,911	-429
Company tax	77,800	83,500	84,591	6,791
Superannuation fund taxes	8,460	11,020	10,804	2,344
Petroleum resource rent tax	1,000	1,100	1,116	116
Income taxation receipts	296,200	305,370	307,415	11,215
Goods and services tax	62,558	63,661	63,235	676
Wine equalisation tax	890	910	894	4
Luxury car tax	650	710	695	45
Excise and customs duty				
Petrol	6,250	6,100	6,098	-152
Diesel	10,630	10,970	11,127	497
Other fuel products	1,920	2,000	2,109	189
Tobacco	11,610	11,500	11,879	269
Beer	2,390	2,410	2,451	61
Spirits	2,130	2,220	2,207	77
Other alcoholic beverages(a)	950	970	962	12
Other customs duty				
Textiles, clothing and footwear	170	190	200	30
Passenger motor vehicles	470	510	504	34
Other imports	780	1,200	1,211	431
less: Refunds and drawbacks	420	420	390	-30
Total excise and customs duty	36,880	37,650	38,357	1,477
Major bank levy	1,200	1,150	1,139	-61
Agricultural levies	537	570	555	18
Other taxes	5,387	6,334	5,764	377
Indirect taxation receipts	108,102	110,984	110,638	2,536
Taxation receipts	404,302	416,354	418,053	13,750

Table 3: Australian Government general government sector (cash) receipts (continued)

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
Sales of goods and services	11,497	10,283	9,941	-1,555
Interest received	3,233	3,458	3,433	199
Dividends	3,996	4,565	5,407	1,410
Other non-taxation receipts	10,465	10,486	10,072	-393
Non-taxation receipts	29,191	28,791	28,853	-339
Total receipts	433,494	445,146	446,905	13,412
<i>Memorandum:</i>				
<i>Total excise</i>	<i>22,180</i>	<i>22,500</i>	<i>22,703</i>	<i>523</i>
<i>Total customs duty</i>	<i>14,700</i>	<i>15,150</i>	<i>15,654</i>	<i>954</i>

(a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

Payments

Total cash payments were \$452.7 billion in 2017-18, \$6.9 billion lower than estimated at the time of the 2017-18 Budget. Total payments excluding Future Fund payments were \$452.2 billion, \$7.1 billion lower than estimated at the time of the 2017-18 Budget. The outcome primarily reflects decreases in:

- payments under the National Disability Insurance Scheme (NDIS) program, reflecting lower-than-expected numbers of participants entering the NDIS and lower utilisation of participants' individual support packages (\$2.5 billion);
- payments to the States and Territories due to delays in State-led projects under the Infrastructure Investment Programme (\$1.3 billion);
- payments under the Age Pension program, primarily reflecting the ongoing impact of the previously implemented measure to increase the Age Pension qualifying age to 67 years of age (\$894 million);
- payments under the Family Tax Benefit program, reflecting lower-than-expected average payments and reconciliation payments driven by improving economic conditions, including higher than projected income growth (\$790 million);
- payments to the States and Territories under the National Partnership Payments - Assistance to People with Disabilities, reflecting revised payments schedules from the DisabilityCare Australia Fund (DCAF) due to ongoing negotiations on a full scheme DCAF National Partnership Agreement (\$748 million); and
- payments under the Job Seeker Income Support program, reflecting lower than-expected average payments and recipient numbers attributable to the strong labour market (\$335 million).

The outcome also reflects increases in payments in programs such as the Pharmaceutical Benefits Scheme (\$633 million) as a result of new and amended listings on the scheme and higher-than-expected utilisation of some medicines.

Net Future Fund Earnings

The underlying cash balance excludes net Future Fund earnings. Net Future Fund earnings were \$4.3 billion in 2017-18, \$1.1 billion higher than estimated at the time of the 2017-18 Budget, largely reflecting higher-than-estimated investment earnings.

NET OPERATING BALANCE

The 2017-18 net operating deficit was \$4.0 billion, a \$15.8 billion improvement on the deficit of \$19.8 billion estimated at the time of the 2017-18 Budget. The 2017-18 fiscal balance deficit was \$5.3 billion, a \$15.0 billion improvement on the deficit estimated at the time of the 2017-18 Budget.

The cash receipt and payment variations outlined previously have a similar impact on revenue and expenses since net operating, fiscal and cash variances are typically driven by the same factors. However, the improvement in the net operating balance of \$15.8 billion, and the fiscal balance of \$15.0 billion, compared with the improvement in the underlying cash balance of \$19.3 billion, is the result of additional factors, as outlined below.

Revenue

Total revenue was \$456.3 billion in 2017-18, \$11.9 billion higher than estimated at the time of the 2017-18 Budget. In comparison, total cash receipts were \$446.9 billion in 2017-18, \$13.4 billion higher than estimated at the time of the 2017-18 Budget.

Taxation revenue was \$427.4 billion in 2017-18, \$12.0 billion higher than the estimate at the 2017-18 Budget. Changes in taxation revenue were driven by the same revenue heads as receipts.

Total non-tax revenue was \$28.9 billion in 2017-18, \$0.1 billion lower than estimated at the 2017-18 Budget. Non-tax receipts were \$28.9 billion, \$0.3 billion lower than estimated at the 2017-18 Budget.

The \$0.2 billion difference in the size of the variances for non-tax revenue and non-tax receipts largely reflects timing differences between the recognition of revenue and receiving the corresponding receipt.

Table 4: Australian Government general government sector (accrual) revenue

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
Individuals and other withholding taxes				
Gross income tax withholding	188,750	192,800	193,809	5,059
Gross other individuals	49,860	46,800	46,768	-3,092
<i>less: Refunds</i>	29,000	29,100	29,102	102
Total individuals and other withholding tax	209,610	210,500	211,475	1,865
Fringe benefits tax	4,430	4,140	3,813	-617
Company tax	79,400	86,700	85,770	6,370
Superannuation fund taxes	8,540	11,060	10,927	2,387
Petroleum resource rent tax(a)	990	1,170	993	3
Income taxation revenue	302,970	313,570	312,978	10,008
Goods and services tax	65,710	66,700	65,282	-428
Wine equalisation tax	900	930	903	3
Luxury car tax	650	730	735	85
Excise and customs duty				
Petrol	6,250	6,100	6,114	-136
Diesel	10,640	10,980	11,157	517
Other fuel products	1,920	2,000	2,113	193
Tobacco	11,610	11,670	11,914	304
Beer	2,390	2,410	2,456	66
Spirits	2,130	2,220	2,209	79
Other alcoholic beverages(b)	950	970	964	14
Other customs duty				
Textiles, clothing and footwear	170	190	200	30
Passenger motor vehicles	490	510	504	14
Other imports	790	1,210	1,211	421
<i>less: Refunds and drawbacks</i>	420	420	390	-30
Total excise and customs duty	36,920	37,840	38,453	1,533
Major bank levy	1,600	1,550	1,527	-73
Agricultural levies	537	571	564	27
Other taxes	6,141	6,578	6,961	820
Indirect taxation revenue	112,458	114,899	114,425	1,967
Taxation revenue	415,428	428,469	427,403	11,975
Sales of goods and services	11,496	10,095	9,770	-1,725
Interest	4,397	3,663	3,317	-1,079
Dividends	3,517	3,797	5,086	1,570
Other non-taxation revenue	9,578	10,152	10,704	1,126
Non-taxation revenue	28,987	27,706	28,878	-109
Total revenue	444,414	456,176	456,280	11,866
<i>Memorandum:</i>				
<i>Total excise</i>	22,190	22,510	22,763	573
<i>Total customs duty</i>	14,730	15,330	15,690	960

(a) This item includes an amount of MRRT revenue relating to a pre-2013-14 income year which cannot be separately disclosed owing to taxpayer confidentiality. There is no corresponding cash impact for 2017-18.

(b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

Expenses and net capital investment

Total expenses were \$460.3 billion in 2017-18, \$4.0 billion lower than estimated at the time of the 2017-18 Budget. Total net capital investment for 2017-18 was \$1.3 billion, \$0.8 billion higher than the estimate of \$0.5 billion. This results in a lower-than-estimated net outcome for expenses and net capital investment of \$3.2 billion compared to the 2017-18 Budget.

In comparison, cash payments were \$452.7 billion in 2017-18, \$6.9 billion lower than estimated at the 2017-18 Budget.

The difference of \$3.8 billion between the lower-than-estimated net outcome for expenses and net capital investment of \$3.2 billion and the lower-than-estimated outcome for cash payments of \$6.9 billion is primarily due to sales of non-financial assets, which are included in the calculation of net capital investment but not in cash payments.

Further information on expenses by function and sub-function is provided in Appendix A.

Table 5: Australian Government general government sector expenses by function

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
General public services				
Legislative and executive affairs	1,243	1,212	1,189	-54
Financial and fiscal affairs	6,383	7,352	7,577	1,194
Foreign affairs and economic aid	5,669	5,582	5,407	-262
General research	2,831	3,221	3,009	178
General services	828	692	751	-78
Government superannuation benefits	3,749	6,917	6,589	2,840
Defence	30,051	30,982	29,288	-763
Public order and safety	5,042	5,251	5,345	302
Education	33,800	33,746	33,523	-277
Health	75,277	77,603	76,039	762
Social security and welfare	164,059	162,621	157,745	-6,314
Housing and community amenities	5,351	5,435	5,405	54
Recreation and culture	3,632	3,793	3,735	104
Fuel and energy	6,940	7,515	7,378	438
Agriculture, forestry and fishing	2,972	3,019	2,613	-359
Mining, manufacturing and construction	3,825	2,979	2,592	-1,233
Transport and communication	10,420	9,252	9,180	-1,240
Other economic affairs				
Tourism and area promotion	182	182	187	5
Total labour and employment affairs	3,794	3,832	3,699	-95
Immigration	3,113	3,960	3,725	612
Other economic affairs nec	2,322	2,238	2,249	-72
Other purposes				
Public debt interest	17,154	17,047	17,025	-129
Nominal superannuation interest	10,392	9,241	9,240	-1,151
General purpose inter-government transactions	64,274	66,925	66,604	2,329
Natural disaster relief	9	109	188	179
Contingency reserve	951	-1,916	0	-951
Total expenses	464,262	468,788	460,282	-3,980

Table 6: Australian Government general government sector net capital investment by function

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
General public services	-204	-222	-394	-190
Defence	2,946	2,693	4,618	1,672
Public order and safety	174	179	133	-41
Education	6	-2	-5	-11
Health	85	94	101	16
Social security and welfare	162	285	248	85
Housing and community amenities	57	-10	-83	-140
Recreation and culture	209	115	40	-170
Fuel and energy	3	3	3	1
Agriculture, forestry and fishing	513	459	223	-290
Mining, manufacturing and construction	10	11	8	-2
Transport and communication	-3,034	-3,104	-3,400	-366
Other economic affairs	-17	235	-208	-192
Other purposes	-428	12	0	428
Total net capital investment	484	748	1,284	800

Table 7: Australian Government general government sector purchases of non-financial assets by function

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
General public services	945	1,034	913	-32
Defence	9,458	8,863	9,964	506
Public order and safety	635	636	658	23
Education	36	24	18	-18
Health	150	156	161	11
Social security and welfare	540	632	610	69
Housing and community amenities	104	68	74	-30
Recreation and culture	543	469	367	-176
Fuel and energy	6	6	7	1
Agriculture, forestry and fishing	561	503	269	-292
Mining, manufacturing and construction	17	17	15	-2
Transport and communication	76	96	83	7
Other economic affairs	471	684	597	126
Other purposes	40	12	0	-40
Total Government purchases of non-financial assets	13,582	13,199	13,735	153

HEADLINE CASH BALANCE ESTIMATES

The headline cash balance consists of the underlying cash balance, net cash flows from investments in financial assets for policy purposes (for example, the equity funding of NBN Co) and net Future Fund earnings.

Table 8 provides further detail between the underlying and headline cash balance estimates of the Australian Government general government sector in 2017-18.

At the end of 2017-18, the headline cash deficit was \$25.9 billion, a \$22.5 billion improvement from the estimate at the time of the 2017-18 Budget. The improvement in the headline cash balance was primarily driven by the improvement in the underlying cash balance and the reprofiling of the Government's loan to NBN Co, partially offset by the Government's purchase of 100 per cent of the shares of Snowy Hydro Limited from the NSW and Victorian Governments.

Table 8: Australian Government general government sector reconciliation of underlying and headline cash balance

	2017-18 Estimate at 2017-18 Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
2017-18 Underlying cash balance(a)	-29,396	-18,238	-10,141	19,254
plus Net cash flows from investments in financial assets for policy purposes				
Student loans	-7,944	-5,020	-4,964	2,980
NBN investment	-1,525	-2,035	-2,035	-510
NBN loan	-9,286	-6,682	-5,531	3,755
Snowy Hydro Limited acquisition(b)	0	-6,114	-6,117	-6,117
Residential mortgage backed securities	697	1,929	1,929	1,232
WestConnex	-722	-722	-722	0
Trade support loans	-159	-172	-187	-27
CEFC loans and investments	-596	-2,271	-1,707	-1,111
Northern Australia Infrastructure Facility	-516	-72	-3	513
Drought and rural assistance loans	-229	-102	-108	121
Water infrastructure and regional development loans(c)	-100	-130	0	100
Net other(d)	-1,840	-982	-597	1,243
Total net cash flows from investments in financial assets for policy purposes	-22,221	-22,373	-20,041	2,179
plus Net Future Fund earnings	3,205	3,503	4,305	1,100
2017-18 Headline cash balance	-48,411	-37,108	-25,878	22,534

(a) Excludes net Future Fund earnings.

(b) Australian Government payments in 2017-18 to NSW and Victoria for their shareholdings in Snowy Hydro Limited, including acquisition costs and the right to the States' final dividend.

(c) The 'National water infrastructure loan facility' was renamed to 'Water infrastructure and regional development loans' in the 2018-19 Budget to reflect program changes.

(d) Net other includes proposed equity payments for infrastructure projects. The amounts have not been itemised for commercial-in-confidence reasons.

NET DEBT, NET FINANCIAL WORTH AND NET WORTH

At the end of 2017-18, the level of Australian Government net debt was \$342.0 billion (18.6 per cent of GDP), \$13.0 billion lower than estimated at the time of the 2017-18 Budget. This reflects improvements in the underlying and headline cash balances which reduced borrowing needs, as well as increased investments, loans and placements. This has been partly offset by lower advances paid, predominantly relating to student loans.

Net financial worth was negative \$562.2 billion at the end of 2017-18, compared with negative \$457.8 billion estimated at the 2017-18 Budget.

Net worth was negative \$418.1 billion at the end of 2017-18, compared with negative \$318.1 billion estimated at the 2017-18 Budget.

The changes in net financial worth and net worth since the 2017-18 Budget report a significant increase in the Government's superannuation liability. This reported increase is the result of a large difference between the discount rates used to value the Government's defined benefit superannuation liability at Budgets and at the Final Budget Outcome (FBO). The approach to valuing the superannuation liability has not changed from previous Budgets or FBOs. The variance in the reported superannuation liability between the 2017-18 Budget and 2017-18 FBO was an increase of \$132.2 billion. By way of comparison, the variance between the 2016-17 Budget and 2016-17 FBO was an increase of \$103.8 billion.

At the 2017-18 Budget, actuaries determined the long term discount rate to be 6.0 per cent per annum. This rate reflected the average annual rate estimated to apply over the remainder of the term to maturity of the liability and the actuaries' views that short-term deviations are expected to be smoothed out in the longer term. This approach also reduces the volatility in reported liabilities that would occur from year to year if the long term government bond rate were used.

For FBO, the Australian Accounting Standards require the use of the long-term government bond rate as at 30 June 2018 that best matches each individual scheme's liability duration. This requirement results in differences in superannuation liability between one FBO and the next, and between Budgets and FBO, due to the discount rate applied, not as a result of changes in the accrued benefits of the defined benefit schemes. At the 2017-18 FBO, the long-term bond rates used were between 2.7 and 3.1 per cent per annum depending on the defined benefit scheme.

Table 9: Australian Government general government sector net worth, net financial worth, net debt and net interest payments

	2017-18 Estimate at 2017-18 Budget \$b	2017-18 Estimate at 2018-19 Budget \$b	2017-18 Outcome \$b	Change on 2017-18 Budget \$b
Financial assets	393.5	406.2	419.0	25.5
Non-financial assets	139.7	141.1	144.0	4.3
Total assets	533.2	547.3	563.0	29.8
Total liabilities	851.3	872.5	981.2	129.9
Net worth	-318.1	-325.2	-418.1	-100.0
Net financial worth(a)	-457.8	-466.3	-562.2	-104.4
Per cent of GDP	-25.1	-25.4	-30.6	
Net debt(b)	354.9	341.0	342.0	-13.0
Per cent of GDP	19.5	18.6	18.6	
Net interest payments	13.4	13.1	13.1	-0.2
Per cent of GDP	0.7	0.7	0.7	

(a) Net financial worth equals total financial assets minus total liabilities.

(b) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

PART 2: AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Consistent with the *Charter of Budget Honesty Act 1998* (the Charter), the Government has produced a single set of financial statements for the Australian Government general government sector (GGS), the public non-financial corporations (PNFC) sector, the total non-financial public sector (NFPS) and the public financial corporations (PFC) sector. The financial statements comply with both Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), with departures disclosed. These statements are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance);
- a balance sheet, which also shows net worth, net financial worth, net financial liabilities and net debt; and
- a cash flow statement, which includes the calculation of the underlying cash balance.

In addition to these general purpose statements, notes to the financial statements are required. These notes include a summary of accounting policies, disaggregated information and other disclosures required by AAS.

The financial statements for the Final Budget Outcome for 2017-18 have been prepared on a basis consistent with the 2018-19 Budget. This enables comparison of the 2017-18 revised estimates published at the 2018-19 Budget and the outcome.

The statements reflect the policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

The Australian, State and Territory governments have an agreed framework – the Uniform Presentation Framework (UPF) – for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standards Board standard AASB 1049. The financial statements are consistent with the requirements of the UPF.

Consistent with the 2018-19 Budget, the Commonwealth's Loan Council Allocation is no longer reported. The Australian Loan Council unanimously agreed to remove the Australian, State and Territory governments' reporting requirements from the UPF and transfer the administration of the UPF to the Council on Federal Financial Relations.

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS**Table 10: Australian Government general government sector operating statement**

		2017-18 Estimate at 2018-19 Budget \$m	Month of June 2018 (d) \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
	Note				
Revenue					
Taxation revenue	3	428,469	34,039	427,403	-1,067
Sales of goods and services	4	10,095	570	9,770	-325
Interest income	5	3,663	75	3,317	-346
Dividend income	5	3,797	1,302	5,086	1,290
Other	6	10,152	1,543	10,704	552
Total revenue		456,176	37,530	456,280	104
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	20,019	1,539	19,213	-806
Superannuation	7	7,825	729	7,789	-36
Depreciation and amortisation	8	8,861	1,046	8,792	-69
Supply of goods and services	9	104,027	8,956	100,468	-3,560
Other operating expenses(a)	7	6,122	692	6,724	602
<i>Total gross operating expenses</i>		<i>146,854</i>	<i>12,961</i>	<i>142,986</i>	<i>-3,869</i>
Superannuation interest expense	7	9,241	141	9,240	-1
Interest expenses	10	17,931	1,567	17,811	-121
Current transfers					
Current grants	11	141,923	14,207	139,281	-2,642
Subsidy expenses		11,719	477	11,224	-495
Personal benefits	12	128,525	9,713	127,146	-1,379
<i>Total current transfers</i>		<i>282,167</i>	<i>24,397</i>	<i>277,650</i>	<i>-4,517</i>
Capital transfers					
Mutually agreed write-downs		2,013	119	1,996	-17
Other capital grants		10,581	4,196	10,599	18
<i>Total capital transfers</i>		<i>12,594</i>	<i>4,315</i>	<i>12,595</i>	<i>0</i>
Total expenses		468,788	43,383	460,282	-8,507
Net operating balance		-12,612	-5,853	-4,001	8,611
Other economic flows - included in operating result					
Net write-downs of assets					
(including bad and doubtful debts)		-8,907	-274	-7,740	1,167
Assets recognised for the first time		198	58	81	-117
Actuarial revaluations		135	-1,599	-1,599	-1,734
Net foreign exchange gains		-336	-664	-1,269	-933
Net swap interest received		247	-54	61	-186
Market valuation of debt		8,137	-1,362	586	-7,551
Other gains/(losses)		9,756	4,346	11,139	1,383
Total other economic flows - included in operating result		9,230	450	1,259	-7,971
Operating Result(b)		-3,383	-5,404	-2,743	640

Table 10: Australian Government general government sector operating statement (continued)

	2017-18 Estimate at 2018-19 Budget	Month of June 2018 (d)	2017-18 Outcome	Change on 2018-19 Budget
Note	\$m	\$m	\$m	\$m
Non-owner movements in equity				
Revaluation of equity investments	-2,043	-186	-302	1,742
Actuarial revaluations	755	-5,965	-5,965	-6,719
Other economic revaluations	-302	-2,130	1,296	1,598
Total other economic flows - included in equity	-1,590	-8,280	-4,970	-3,380
Comprehensive result - Total change in net worth	-4,973	-13,684	-7,712	-2,740
Net operating balance	-12,612	-5,853	-4,001	8,611
Net acquisition of non-financial assets				
Purchases of non-financial assets	13,199	2,512	13,735	535
less Sales of non-financial assets	3,658	1,246	4,260	603
less Depreciation	8,861	1,046	8,792	-69
plus Change in inventories	65	394	629	564
plus Other movements in non-financial assets	1	-54	-28	-29
Total net acquisition of non-financial assets	748	560	1,284	537
Fiscal balance (Net lending/borrowing)(c)	-13,360	-6,413	-5,285	8,074

(a) Consistent with the ABS GFS classification, other employee-related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) Operating result under AAS.

(c) The term fiscal balance is not used by the ABS.

(d) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

Table 11: Australian Government general government sector balance sheet

		2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
	Note			
Assets				
Financial assets				
Cash and deposits		5,363	6,783	1,420
Advances paid	13	60,228	56,057	-4,171
Investments, loans and placements	14	180,232	190,610	10,378
Other receivables	13	52,870	53,158	288
Equity investments				
Investments in other public sector entities		56,636	58,382	1,746
Equity accounted investments		185	109	-75
Investments - shares		50,713	53,903	3,189
<i>Total financial assets</i>		<i>406,226</i>	<i>419,001</i>	<i>12,775</i>
Non-financial assets				
	15			
Land		10,708	11,627	919
Buildings		26,091	26,441	350
Plant, equipment and infrastructure		75,460	77,553	2,093
Inventories		8,204	8,676	473
Intangibles		8,577	7,896	-681
Investment properties		159	22	-137
Biological assets		54	36	-18
Heritage and cultural assets		11,669	11,618	-51
Assets held for sale		86	145	59
Other non-financial assets		61	32	-29
<i>Total non-financial assets</i>		<i>141,069</i>	<i>144,048</i>	<i>2,978</i>
Total assets		547,295	563,049	15,754
Liabilities				
Interest bearing liabilities				
Deposits held		218	381	163
Government securities		568,924	575,449	6,525
Loans	16	16,095	18,045	1,951
Other borrowing		1,588	1,535	-54
<i>Total interest bearing liabilities</i>		<i>586,825</i>	<i>595,411</i>	<i>8,585</i>

Table 11: Australian Government general government sector balance sheet (continued)

		2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
	Note			
Provisions and payables				
Superannuation liability	17	216,287	313,452	97,165
Other employee liabilities	17	18,533	19,897	1,364
Suppliers payables	18	8,138	7,577	-561
Personal benefits payables	18	2,952	2,758	-194
Subsidies payables	18	548	602	53
Grants payables	18	3,312	3,068	-244
Other payables	18	2,279	2,425	146
Provisions	18	33,652	35,994	2,342
<i>Total provisions and payables</i>		<i>285,701</i>	<i>385,773</i>	<i>100,072</i>
Total liabilities		872,527	981,184	108,657
Net worth(a)		-325,232	-418,135	-92,904
<i>Net financial worth(b)</i>		<i>-466,301</i>	<i>-562,183</i>	<i>-95,882</i>
<i>Net financial liabilities(c)</i>		<i>522,937</i>	<i>620,565</i>	<i>97,628</i>
<i>Net debt(d)</i>		<i>341,003</i>	<i>341,961</i>	<i>958</i>

(a) Net worth is calculated as total assets minus total liabilities.

(b) Net financial worth equals total financial assets minus total liabilities.

(c) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

(d) Net debt equals the sum of interest bearing liabilities (deposits held, government securities, loans and other borrowing), minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 12: Australian Government general government sector cash flow statement^(a)

	2017-18 Estimate at 2018-19 Budget \$m	Month of June 2018 (b) \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Cash receipts from operating activities				
Taxes received	416,354	40,168	418,053	1,698
Receipts from sales of goods and services	10,283	858	9,941	-341
Interest receipts	3,458	486	3,433	-25
Dividends and income tax equivalents	4,565	559	5,407	842
Other receipts	9,138	530	8,747	-392
Total operating receipts	443,798	42,600	445,580	1,782
Cash payments for operating activities				
Payments for employees	-28,843	-2,308	-27,969	874
Payments for goods and services	-100,530	-8,820	-99,130	1,399
Grants and subsidies paid	-164,524	-18,911	-161,868	2,656
Interest paid	-16,586	-522	-16,568	18
Personal benefit payments	-129,461	-8,931	-127,940	1,520
Other payments	-5,840	-487	-6,425	-585
Total operating payments	-445,783	-39,980	-439,901	5,882
Net cash flows from operating activities	-1,985	2,620	5,679	7,664
Cash flows from investments in non-financial assets				
Sales of non-financial assets	1,348	93	1,325	-22
Purchases of non-financial assets	-14,098	-2,421	-12,705	1,393
Net cash flows from investments in non-financial assets	-12,751	-2,328	-11,380	1,371
Net cash flows from investments in financial assets for policy purposes	-22,373	-7,116	-20,041	2,331
Net cash flows from investments in financial assets for liquidity purposes	8,636	4,918	-40	-8,676
Cash receipts from financing activities				
Borrowing	95,284	66,523	94,735	-549
Other financing	1,881	445	2,696	815
Total cash receipts from financing activities	97,165	66,969	97,432	266
Cash payments for financing activities				
Borrowing	-63,645	-64,171	-64,171	-526
Other financing	-4,824	-409	-5,836	-1,011
Total cash payments from financing activities	-68,470	-64,580	-70,007	-1,537
Net cash flows from financing activities	28,696	2,389	27,425	-1,271
Net increase/(decrease) in cash held	224	483	1,643	1,420

Table 12: Australian Government general government sector cash flow statement (continued)^(a)

	2017-18 Estimate at 2018-19 Budget \$m	Month of June 2018 (b) \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
GFS cash surplus(+)/deficit(-)(c)	-14,735	293	-5,700	9,035
<i>less</i> Finance leases and similar arrangements(d)	0	46	136	136
<i>less</i> Net Future Fund earnings	3,503	372	4,305	802
Equals underlying cash balance(e)	-18,238	-125	-10,141	8,097
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-22,373	-7,116	-20,041	2,331
<i>plus</i> Net Future Fund earnings	3,503	372	4,305	802
Equals headline cash balance	-37,108	-6,870	-25,878	11,230

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

(b) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

(c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

(d) The acquisition of assets under finance leases worsens the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.

(e) The term underlying cash balance is not used by the ABS.

Table 13: Australian Government public non-financial corporations sector operating statement

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Revenue			
Current grants and subsidies	144	433	289
Sales of goods and services	11,699	11,770	71
Interest income	47	63	16
Other	17	52	34
Total revenue	11,908	12,318	409
Expenses			
Gross operating expenses			
Wages and salaries(a)	4,429	4,167	-262
Superannuation	387	493	106
Depreciation and amortisation	2,986	2,824	-162
Supply of goods and services	7,662	7,886	224
Other operating expenses(a)	502	573	71
<i>Total gross operating expenses</i>	<i>15,965</i>	<i>15,942</i>	<i>-23</i>
Interest expenses	702	702	0
Other property expenses	172	190	18
Current transfers			
Tax expenses	61	100	39
<i>Total current transfers</i>	<i>61</i>	<i>100</i>	<i>39</i>
Total expenses	16,900	16,934	35
Net operating balance	-4,992	-4,617	375
Other economic flows	2,347	7,650	5,303
Comprehensive result - Total change in net worth excluding contribution from owners	-2,645	3,033	5,678
Net acquisition of non-financial assets			
Purchases of non-financial assets	8,148	8,402	254
<i>less</i> Sales of non-financial assets	<i>328</i>	<i>174</i>	<i>-155</i>
<i>less</i> Depreciation	<i>2,986</i>	<i>2,824</i>	<i>-162</i>
<i>plus</i> Change in inventories	<i>41</i>	<i>37</i>	<i>-4</i>
<i>plus</i> Other movements in non-financial assets	<i>97</i>	<i>-4</i>	<i>-101</i>
Total net acquisition of non-financial assets	4,971	5,438	467
Fiscal balance (Net lending/borrowing)(b)	-9,963	-10,055	-92

(a) Consistent with the ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table 14: Australian Government public non-financial corporations sector balance sheet

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Assets			
Financial assets			
Cash and deposits	2,263	1,972	-291
Investments, loans and placements	1,210	1,154	-56
Other receivables	2,544	2,291	-253
Equity investments	406	376	-30
<i>Total financial assets</i>	<i>6,423</i>	<i>5,792</i>	<i>-631</i>
Non-financial assets			
Land and other fixed assets	38,002	43,352	5,349
Other non-financial assets(a)	3,736	3,703	-33
<i>Total non-financial assets</i>	<i>41,738</i>	<i>47,055</i>	<i>5,316</i>
Total assets	48,161	52,847	4,686
Liabilities			
Interest bearing liabilities			
Deposits held	4	9	4
Advances received	308	300	-8
Loans	9,304	8,284	-1,020
Other borrowing	7,017	7,282	265
<i>Total interest bearing liabilities</i>	<i>16,633</i>	<i>15,875</i>	<i>-759</i>
Provisions and payables			
Superannuation liability	19	23	5
Other employee liabilities	1,912	1,688	-224
Other payables	4,918	4,859	-59
Other provisions(a)	715	723	8
<i>Total provisions and payables</i>	<i>7,563</i>	<i>7,293</i>	<i>-270</i>
Total liabilities	24,197	23,168	-1,029
Shares and other contributed capital	23,965	29,679	5,715
Net worth(b)(c)	23,965	29,679	5,715
<i>Net financial worth(d)</i>	<i>-17,774</i>	<i>-17,375</i>	<i>398</i>
<i>Net debt(e)</i>	<i>13,160</i>	<i>12,749</i>	<i>-411</i>

(a) Excludes the impact of commercial taxation adjustments.

(b) Includes net assets of Snowy Hydro Limited (SHL). SHL's net assets have been revalued to fair value in the Final Budget Outcome. In the 2018-19 Budget, SHL's assets were measured at cost per SHL's financial statements.

(c) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(d) Under AASB 1049, net financial worth is calculated as total financial assets minus total liabilities. Under ABS GFS, net financial worth is calculated as total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(e) Net debt equals the sum of interest bearing liabilities (deposits held, advances received, loans and other borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table 15: Australian Government public non-financial corporations sector cash flow statement^(a)

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	12,688	13,064	376
Grants and subsidies received	106	65	-41
GST input credit receipts	984	720	-264
Other receipts	28	14	-14
Total operating receipts	13,806	13,863	58
Cash payments for operating activities			
Payments to employees(b)	-4,405	-4,184	221
Payment for goods and services	-8,335	-9,328	-992
Interest paid	-647	-122	525
GST payments to taxation authority	-83	-94	-10
Other payments(b)	-1,553	-1,458	95
Total operating payments	-15,023	-15,185	-161
Net cash flows from operating activities	-1,217	-1,321	-104
Cash flows from investments in non-financial assets			
Sales of non-financial assets	328	332	3
Purchases of non-financial assets	-7,796	-6,972	824
Net cash flows from investments in non-financial assets	-7,468	-6,641	827
Net cash flows from investments in financial assets for policy purposes	-4	29	33
Net cash flows from investments in financial assets for liquidity purposes	37	143	107
Net cash flows from financing activities			
Borrowing (net)	6,457	5,382	-1,076
Other financing (net)	2,452	2,387	-65
Distributions paid (net)	-179	-191	-13
Net cash flows from financing activities	8,731	7,577	-1,153
Net increase/(decrease) in cash held	79	-212	-291
Cash at the beginning of the year	2,184	2,184	0
Cash at the end of the year	2,263	1,972	-291
Net cash from operating activities and investments in non-financial assets	-8,685	-7,962	723
Distributions paid	-179	-191	-13
GFS cash surplus(+)/deficit(-)	-8,864	-8,153	710

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

(b) Other employee-related payments are reported under other payments consistent with the treatment in the general government sector.

Table 16: Australian Government total non-financial public sector operating statement

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Revenue			
Taxation revenue	428,417	427,399	-1,018
Sales of goods and services	20,766	20,468	-298
Interest income	3,625	3,298	-327
Dividend income	3,625	4,905	1,280
Other	10,142	10,592	450
Total revenue	466,574	466,661	87
Expenses			
Gross operating expenses			
Wages and salaries(a)	24,447	23,379	-1,068
Superannuation	8,197	8,277	79
Depreciation and amortisation	11,847	11,615	-231
Supply of goods and services	110,655	107,127	-3,528
Other operating expenses(a)	6,625	7,298	674
<i>Total gross operating expenses</i>	<i>161,770</i>	<i>157,696</i>	<i>-4,074</i>
Superannuation interest expense	9,241	9,240	-1
Interest expenses	18,548	18,431	-117
Current transfers			
Current grants	141,923	139,281	-2,642
Subsidy expenses	11,713	11,219	-494
Personal benefits	128,525	127,146	-1,379
<i>Total current transfers</i>	<i>282,161</i>	<i>277,645</i>	<i>-4,515</i>
Capital transfers	12,458	12,182	-276
Total expenses	484,178	475,195	-8,984
Net operating balance	-17,604	-8,533	9,070
Other economic flows	12,782	1,562	-11,220
Comprehensive result - Total change in net worth	-4,822	-6,971	-2,149
Net acquisition of non-financial assets			
Purchases of non-financial assets	21,347	22,136	789
<i>less</i> Sales of non-financial assets	<i>3,986</i>	<i>4,434</i>	<i>448</i>
<i>less</i> Depreciation	<i>11,847</i>	<i>11,615</i>	<i>-231</i>
<i>plus</i> Change in inventories	<i>106</i>	<i>666</i>	<i>560</i>
<i>plus</i> Other movements in non-financial assets	<i>98</i>	<i>-31</i>	<i>-129</i>
Total net acquisition of non-financial assets	5,719	6,722	1,003
Fiscal balance (Net lending/borrowing)(b)	-23,322	-15,255	8,067

(a) Consistent with the ABS GFS classification, other employee-related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table 17: Australian Government total non-financial public sector balance sheet

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Assets			
Financial assets			
Cash and deposits	7,626	8,755	1,129
Advances paid	53,236	50,238	-2,998
Investments, loans and placements	181,428	191,748	10,320
Other receivables	54,993	55,136	143
Equity investments	79,216	83,829	4,614
<i>Total financial assets</i>	<i>376,499</i>	<i>389,706</i>	<i>13,208</i>
Non-financial assets(a)			
Land and other fixed assets	170,134	179,267	9,133
Other non-financial assets	17,345	11,523	-5,822
<i>Total non-financial assets</i>	<i>187,479</i>	<i>190,790</i>	<i>3,311</i>
Total assets	563,978	580,496	16,519
Liabilities			
Interest bearing liabilities			
Deposits held	222	390	168
Advances received	0	0	0
Government securities	568,924	575,449	6,525
Loans	18,702	20,795	2,094
Other borrowing	8,605	8,817	212
<i>Total interest bearing liabilities</i>	<i>596,453</i>	<i>605,451</i>	<i>8,998</i>
Provisions and payables			
Superannuation liability	216,306	313,475	97,170
Other employee liabilities	20,445	21,585	1,140
Other payables	21,840	20,977	-863
Other provisions	34,330	36,717	2,387
<i>Total provisions and payables</i>	<i>292,920</i>	<i>392,754</i>	<i>99,834</i>
Total liabilities	889,373	998,205	108,832
Net worth(b)	-325,395	-417,709	-92,313
<i>Net financial worth(c)</i>	<i>-512,875</i>	<i>-608,499</i>	<i>-95,624</i>
<i>Net debt(d)</i>	<i>354,163</i>	<i>354,710</i>	<i>547</i>

(a) The equity value of Snowy Hydro Limited is mainly reflected in non-financial assets.

(b) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(c) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(d) Net debt equals the sum of interest bearing liabilities (deposits held, advances received, government securities, loans and other borrowing), minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 18: Australian Government total non-financial public sector cash flow statement^(a)

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Cash receipts from operating activities			
Taxes received	416,216	417,971	1,755
Receipts from sales of goods and services	20,829	20,773	-55
Interest receipts	3,424	3,409	-14
Dividends and income tax equivalents	4,392	5,221	830
Other receipts	9,214	8,572	-642
Total operating receipts	454,074	455,947	1,873
Cash payments for operating activities			
Payments to employees	-33,248	-32,153	1,094
Payments for goods and services	-106,460	-105,826	634
Grants and subsidies paid	-164,381	-161,792	2,589
Interest paid	-17,149	-16,620	529
Personal benefit payments	-129,461	-127,940	1,520
Other payments	-6,681	-7,452	-771
Total operating payments	-457,379	-451,783	5,595
Net cash flows from operating activities	-3,304	4,164	7,468
Cash flows from investments in non-financial assets			
Sales of non-financial assets	1,676	1,657	-19
Purchases of non-financial assets	-21,894	-19,667	2,227
Net cash flows from investments in non-financial assets	-20,218	-18,011	2,208
Net cash flows from investments in financial assets for policy purposes	-12,729	-12,044	685
Net cash flows from investments in financial assets for liquidity purposes	8,673	355	-8,318
Net cash flows from financing activities			
Borrowing (net)	31,383	30,404	-979
Other financing (net)	-3,502	-3,437	65
Net cash flows from financing activities	27,881	26,967	-914
Net increase/(decrease) in cash held	302	1,431	1,129
Cash at the beginning of the year	7,324	7,324	0
Cash at the end of the year	7,626	8,755	1,129
Net cash from operating activities and investments in non-financial assets	-23,523	-13,846	9,676
Distributions paid	0	0	0
GFS cash surplus(+)/deficit(-)	-23,523	-13,846	9,676

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

Table 19: Australian Government public financial corporations sector operating statement

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Revenue			
Current grants and subsidies	144	149	5
Sales of goods and services	697	734	37
Interest income	2,069	2,183	114
Other	44	77	32
Total revenue	2,954	3,143	189
Expenses			
Gross operating expenses			
Wages and salaries(a)	164	190	27
Superannuation	62	81	19
Depreciation and amortisation	57	69	12
Supply of goods and services	474	423	-51
Other operating expenses(a)	206	60	-146
<i>Total gross operating expenses</i>	<i>963</i>	<i>823</i>	<i>-140</i>
Interest expenses	1,248	1,273	25
Other property expenses	442	732	290
Current transfers			
Tax expenses	0	0	0
<i>Total current transfers</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total expenses	2,654	2,828	175
Net operating balance	301	315	14
Other economic flows	2,079	3,223	1,143
Comprehensive result - Total change in net worth excluding contribution from owners	2,380	3,538	1,158
Net acquisition of non-financial assets			
Purchases of non-financial assets	1	53	52
<i>less</i> Sales of non-financial assets	<i>0</i>	<i>-1</i>	<i>-1</i>
<i>less</i> Depreciation	<i>57</i>	<i>69</i>	<i>12</i>
<i>plus</i> Change in inventories	<i>-19</i>	<i>14</i>	<i>33</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>	<i>0</i>	<i>0</i>
Total net acquisition of non-financial assets	-75	-2	73
Fiscal balance (Net lending/borrowing)(b)	375	317	-59

(a) Consistent with ABS GFS classification, other employee-related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The term fiscal balance is not used by the ABS.

Table 20: Australian Government public financial corporations sector balance sheet

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Assets			
Financial assets			
Cash and deposits	693	653	-41
Investments, loans and placements	183,920	189,788	5,868
Other receivables	120	118	-3
Equity investments	454	464	10
<i>Total financial assets</i>	<i>185,187</i>	<i>191,022</i>	<i>5,835</i>
Non-financial assets			
Land and fixed assets	839	775	-64
Other non-financial assets(a)	92	207	115
<i>Total non-financial assets</i>	<i>931</i>	<i>982</i>	<i>51</i>
Total assets	186,118	192,004	5,885
Liabilities			
Interest bearing liabilities			
Deposits held	149,227	157,259	8,031
Borrowing	9,178	5,399	-3,779
<i>Total interest bearing liabilities</i>	<i>158,406</i>	<i>162,658</i>	<i>4,252</i>
Provisions and payables			
Superannuation liability	265	393	128
Other employee liabilities	1,495	198	-1,296
Other payables	806	1,148	342
Other provisions(a)	0	1,303	1,302
<i>Total provisions and payables</i>	<i>2,567</i>	<i>3,042</i>	<i>475</i>
Total liabilities	160,972	165,700	4,727
Shares and other contributed capital	25,146	26,304	1,158
Net worth(b)	25,146	26,304	1,158
<i>Net financial worth(c)</i>	<i>24,215</i>	<i>25,322</i>	<i>1,107</i>
<i>Net debt(d)</i>	<i>-26,208</i>	<i>-27,782</i>	<i>-1,575</i>

(a) Excludes the impact of commercial taxation adjustments.

(b) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(c) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(d) Net debt equals the sum of interest bearing liabilities (deposits held and borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table 21: Australian Government public financial corporations sector cash flow statement^(a)

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	721	702	-19
Grants and subsidies received	144	149	5
GST input credit receipts	11	14	3
Interest receipts	2,054	2,284	230
Other receipts	96	142	46
Total operating receipts	3,025	3,290	266
Cash payments for operating activities			
Payments to employees(b)	-281	-215	67
Payments for goods and services	-482	-424	58
Interest paid	-1,234	-1,318	-85
GST payment to taxation authority	0	0	0
Other payments(b)	-160	-90	71
Total operating payments	-2,158	-2,048	110
Net cash flows from operating activities	867	1,243	376
Cash flows from investments in non-financial assets			
Sales of non-financial assets	0	0	0
Purchases of non-financial assets	-79	-52	27
Net cash flows from investments in non-financial assets	-79	-52	27
Net cash flows from investments in financial assets for policy purposes	125	31	-94
Net cash flows from investments in financial assets for liquidity purposes	17,836	9,235	-8,601
Net cash flows from financing activities			
Borrowing and deposits received (net)	-20,013	-11,246	8,766
Other financing (net)	2,566	2,051	-515
Distributions paid (net)	-1,130	-1,129	1
Net cash flows from financing activities	-18,577	-10,325	8,252
Net increase/(decrease) in cash held	173	132	-41
Cash at the beginning of the year	520	520	0
Cash at the end of the year	693	653	-41
Net cash from operating activities and investments in non-financial assets	788	1,191	402
Distributions paid	-1,130	-1,129	1
GFS cash surplus(+)/deficit(-)	-342	62	403

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

(b) Other employee-related payments are reported under other payments consistent with the treatment in the general government sector.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the final budget outcome be based on external reporting standards and that departures from applicable external reporting standards be identified.

The external standards used for final budget outcome reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015* (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards (IFRS) as adopted in Australia and the public sector specific standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The financial statements have been prepared on an accrual basis that complies with both ABS GFS and AAS, except for departures disclosed at Note 2. A more detailed description of the AAS and ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Detailed accounting policies, as well as a set of notes and other disclosures, as required by AAS, are disclosed in the Australian Government annual Consolidated Financial Statements (CFS).

Fiscal reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated.

The statements for the GGS are based on audit-cleared financial statements for material entities with the exception of the Department of Defence.

The Government's key fiscal aggregates are based on ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit; and the derivation of the underlying cash balance and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to these ABS GFS aggregates, the Uniform Presentation Framework (UPF) requires disclosure of net debt, net financial worth and net financial liabilities.

Part 2: Australian Government Financial Statements

AASB 1049 and the UPF also provide a basis for reporting of the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

AASB 1049 requires disaggregated information, by ABS GFS function, for expenses and total assets to be disclosed where they are reliably attributable. ABS GFS does not require total assets to be attributed to functions. In accordance with ABS GFS, disaggregated information for expenses and net acquisition of non-financial assets by function is disclosed in Part 1. In accordance with the UPF, purchases of non-financial assets by function are also disclosed in Part 1.

AASB 1049 also requires the FBO and CFS to be released at the same time. The Charter requires the FBO to be released before the end of three months after the end of the financial year, whereas the CFS is not released until it is audit cleared, generally around November each year.

AASB 1055 requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of major variances in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth for the 2017-18 year from the 2017-18 Budget to the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) are discussed in Part 3 of the 2017-18 MYEFO. Explanations of variances for the 2017-18 year from MYEFO to the 2018-19 Budget are disclosed in Statement 3 of 2018-19 Budget Paper No. 1, Budget Strategy and Outlook. Explanations of variances from the 2017-18 Budget to the Final Budget Outcome for 2017-18 are disclosed in Part 1.

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The major differences between AAS and the ABS GFS treatments of transactions are outlined in Table 22.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Differences from the AAS measurement of items outlined above and reconciliation have not been included as they would effectively create different measures of the same aggregate.

Further information on the differences between the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

Table 22: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Valuation of loans	Changes in the valuation of loans are treated as a revenue or an expense. In some circumstances recognition as a revenue or expense is delayed until the loan ends or is transferred.	Changes in the valuation of loans (excluding mutually agreed write-downs) are treated as an other economic flow.	ABS GFS
Concessional loans	Concessional elements are treated as an expense on initial recognition and unwound over the loan term.	Concessional elements are treated as an other economic flow.	AAS
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Capitalised when the asset is acquired.	Capitalised when make-good activity takes place.	AAS
Renewable Energy Certificates (RECs)	The issuance and registration of RECs is considered to be an administrative function and does not result in the recognition of assets or liabilities and, consequently, no revenue or expenses are recognised.	The issuance and registration of RECs is considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS
Interest expense measurement	Interest expense will be recorded on a contractual (debtor) rate basis.	Interest expense will be recorded on a market (creditor) rate basis.	AAS
National Disability Insurance Scheme (NDIS) revenue	Funding contributions by the state and territory governments to NDIS are treated as sales of goods and services revenue. In-kind disability services provided by the State and Territory Governments are treated as other revenue.	Funding contributions by the state and territory governments to NDIS are treated as grants revenue. In-kind disability services provided by the States and Territory Governments are treated as sales of goods and services revenue.	AAS

Table 22: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Commercial tax effect accounting assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that corporations record tax expenses on a consistent basis to the Australian Taxation Office.	ABS GFS
Fiscal aggregates differences			
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Net financial worth of PNFC and PFC sectors	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification difference			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sales for fiscal balance when payment is made and the licences take effect, which may be after the auction of licences, as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sales for fiscal balance at time of auction as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	AAS

Note 3: Taxation revenue by type

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	192,800	193,809	1,009
Gross other individuals	46,800	46,768	-32
less: Refunds	29,100	29,102	2
Total individuals and other withholding taxation	210,500	211,475	975
Fringe benefits tax	4,140	3,813	-327
Company tax	86,700	85,770	-930
Superannuation fund taxes	11,060	10,927	-133
Petroleum resource rent tax(a)	1,170	993	-177
Income taxation revenue	313,570	312,978	-592
Goods and services tax	66,700	65,282	-1,418
Wine equalisation tax	930	903	-27
Luxury car tax	730	735	5
Excise and customs duty			
Petrol	6,100	6,114	14
Diesel	10,980	11,157	177
Other fuel products	2,000	2,113	113
Tobacco	11,670	11,914	244
Beer	2,410	2,456	46
Spirits	2,220	2,209	-11
Other alcoholic beverages(b)	970	964	-6
Other customs duty			
Textiles, clothing and footwear	190	200	10
Passenger motor vehicles	510	504	-6
Other imports	1,210	1,211	1
less: Refunds and drawbacks	420	390	-30
Total excise and customs duty	37,840	38,453	613
Major bank levy	1,550	1,527	-23
Agricultural levies	571	564	-7
Other taxes	6,578	6,961	383
Mirror taxes	569	568	0
less: Transfers to States in relation to mirror tax revenue	569	568	0
Mirror tax revenue	0	0	0
Indirect taxation revenue	114,899	114,425	-474
Taxation revenue	428,469	427,403	-1,067
<i>Memorandum:</i>			
Total excise	22,510	22,763	253
Total customs duty	15,330	15,690	360

(a) This item includes an amount of MRRT revenue relating to a pre-2013-14 income year which cannot be separately disclosed owing to taxpayer confidentiality. There is no corresponding cash impact for 2017-18.

(b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

Note 3(a): Taxation revenue by source

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	214,630	215,273	643
Income and capital gains levied on enterprises	98,940	97,705	-1,235
Total taxes on income, profits and capital gains	313,570	312,978	-592
Taxes on employers' payroll and labour force	965	1,107	142
Taxes on the provision of goods and services			
Sales/goods and services tax	68,360	66,920	-1,440
Excises and levies	23,081	23,327	246
Taxes on international trade	15,330	15,690	360
Total taxes on the provision of goods and services	106,771	105,937	-834
Taxes on the use of goods and performance of activities	7,163	7,381	218
Total taxation revenue	428,469	427,403	-1,067

Note 4: Sales of goods and services revenue

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Sales of goods	1,407	1,386	-22
Rendering of services	6,611	6,213	-398
Operating lease rental	103	146	43
Fees from regulatory services	1,974	2,025	51
Total sales of goods and services revenue	10,095	9,770	-325

Note 5: Interest and dividend revenue

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Interest from other governments			
State and Territory debt	61	55	-6
Housing agreements	103	103	0
Total interest from other governments	164	158	-6
Interest from other sources			
Advances	220	230	10
Deposits	847	957	110
Indexation of HELP receivable and other student loans	714	567	-147
Other	1,717	1,405	-312
Total interest from other sources	3,499	3,159	-339
Total interest	3,663	3,317	-346
Dividends			
Dividends from other public sector entities	654	974	319
Other dividends	3,143	4,113	970
Total dividends	3,797	5,086	1,290
Total interest and dividend revenue	7,460	8,404	944

Note 6: Other sources of non-taxation revenue

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Industry contributions	159	168	9
Royalties	1,018	1,101	84
Seigniorage	86	89	4
Other	8,890	9,345	455
Total other sources of non-taxation revenue	10,152	10,704	552

Note 7: Employee and superannuation expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Wages and salaries expenses	20,019	19,213	-806
Other operating expenses			
Leave and other entitlements	2,369	3,023	654
Separations and redundancies	119	287	168
Workers compensation premiums and claims	1,300	1,117	-183
Other	2,334	2,297	-37
Total other operating expenses	6,122	6,724	602
Superannuation expenses			
Superannuation	7,825	7,789	-36
Superannuation interest cost	9,241	9,240	-1
Total superannuation expenses	17,066	17,029	-37
Total employee and superannuation expense	43,208	42,966	-241

Note 8: Depreciation and amortisation expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Depreciation			
Specialist military equipment	4,811	4,448	-363
Buildings	1,408	1,483	76
Other infrastructure, plant and equipment	1,529	1,685	157
Heritage and cultural assets	99	96	-2
Total depreciation	7,847	7,713	-133
Total amortisation	1,014	1,078	65
Total depreciation and amortisation expense	8,861	8,792	-69

Note 9: Supply of goods and services expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Supply of goods and services	31,929	29,881	-2,048
Operating lease rental expenses	2,463	2,524	61
Personal benefits – indirect	62,509	60,763	-1,746
Health care payments	4,889	4,616	-274
Other	2,237	2,685	447
Total supply of goods and services expense	104,027	100,468	-3,560

Note 10: Interest expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Interest on debt			
Government securities	17,017	16,996	-21
Loans	1	1	0
Other	206	166	-40
Total interest on debt	17,223	17,163	-61
Other financing costs	708	648	-60
Total interest expense	17,931	17,811	-121

Note 11: Current and capital grants expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Current grants expense			
State and Territory governments	113,044	111,207	-1,837
Private sector	8,528	8,342	-186
Overseas	3,696	3,543	-153
Non-profit organisations	4,344	4,577	233
Multi-jurisdictional sector	10,984	10,350	-634
Other	1,327	1,262	-65
Total current grants expense	141,923	139,281	-2,642
Capital grants expense			
Mutually agreed write-downs	2,013	1,996	-17
Other capital grants			
State and Territory governments	8,717	8,381	-336
Local governments	678	690	12
Non-profit organisations	641	674	34
Private sector	134	190	56
Other	412	663	251
Total capital grants expense	12,594	12,595	0
Total grants expense	154,517	151,875	-2,642

Note 12: Personal benefits expense

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Social welfare - assistance to the aged	45,440	45,151	-289
Assistance to veterans and dependants	5,143	5,163	20
Assistance to people with disabilities	25,072	24,943	-129
Assistance to families with children	31,112	30,109	-1,003
Assistance to the unemployed	11,134	10,831	-303
Student assistance	2,607	2,627	20
Other welfare programs	1,075	1,016	-58
Financial and fiscal affairs	439	628	189
Vocational and industry training	31	0	-31
Other	6,471	6,677	206
Total personal benefits expense	128,525	127,146	-1,379

Note 13: Advances paid and other receivables

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Advances paid			
Loans to State and Territory governments	4,012	3,856	-157
Student loans(a)	43,524	40,949	-2,575
Other(a)	13,123	11,658	-1,465
<i>less Provision for doubtful debts</i>	432	405	-26
Total advances paid	60,228	56,057	-4,171
Other receivables			
Goods and services receivable	1,263	1,199	-65
Recoveries of benefit payments	5,139	5,543	404
Taxes receivable	23,812	24,259	447
Prepayments	3,558	3,259	-299
Other	21,490	21,893	403
<i>less Provision for doubtful debts</i>	2,393	2,995	602
Total other receivables	52,870	53,158	288

(a) Trade Support Loans and Student Start-up Loans which were previously classified to 'other' are now classified to 'student loans'.

Note 14: Investments, loans and placements

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Investments - deposits	50,186	49,551	-635
IMF quota	12,029	12,493	464
Other	118,017	128,566	10,548
Total investments, loans and placements	180,232	190,610	10,378

Note 15: Non-financial assets

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Land and buildings			
Land	10,708	11,627	919
Buildings	26,091	26,441	350
Total land and buildings	36,799	38,068	1,269
Plant, equipment and infrastructure			
Specialist military equipment	59,664	62,019	2,355
Other	15,796	15,534	-262
Total plant, equipment and infrastructure	75,460	77,553	2,093
Inventories			
Inventories held for sale	1,307	1,233	-74
Inventories not held for sale	6,896	7,443	547
Total inventories	8,204	8,676	473
Intangibles			
Computer software	4,524	4,010	-514
Other	4,054	3,887	-167
Total intangibles	8,577	7,896	-681
Total investment properties	159	22	-137
Total biological assets	54	36	-18
Total heritage and cultural assets	11,669	11,618	-51
Total assets held for sale	86	145	59
Total other non-financial assets	61	32	-29
Total non-financial assets	141,069	144,048	2,978

Note 16: Loans

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Promissory notes	10,017	10,010	-8
Special drawing rights	5,643	5,860	218
Other	435	2,175	1,740
Total loans	16,095	18,045	1,951

Note 17: Employee and superannuation liabilities

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Total superannuation liability(a)	216,287	313,452	97,165
Other employee liabilities			
Leave and other entitlements	7,858	8,036	179
Accrued salaries and wages	253	263	10
Workers compensation claims	2,656	2,550	-106
Military compensation(b)	7,371	8,558	1,187
Other(b)	395	490	95
Total other employee liabilities	18,533	19,897	1,364
Total employee and superannuation liabilities	234,820	333,349	98,530

(a) For budget reporting purposes, a discount rate of 5 per cent used by actuaries in preparing Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with Australian Accounting Standards, the superannuation liability for the 2017-18 Final Budget Outcome was calculated using the long-term government bond rate as at 30 June 2018 that best matches each individual scheme's liability duration. These rates were between 2.7 and 3.1 per cent per annum.

(b) Consistent with the presentation of the CFS, 'military compensation' is separately disclosed from the 2017-18 MYEFO.

Note 18: Provisions and payables

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Suppliers payable			
Trade creditors	5,595	4,798	-797
Operating lease rental payable	451	481	30
Personal benefits payables - indirect(a)	619	719	100
Other creditors	1,473	1,580	107
Total suppliers payables	8,138	7,577	-561
Total personal benefits payables - direct(a)(b)	2,952	2,758	-194
Total subsidies payable(b)	548	602	53
Grants payables			
State and territory governments	103	291	188
Non-profit organisations	183	234	52
Private sector	351	339	-12
Overseas	1,853	1,879	26
Local governments	1	1	0
Other(b)	822	324	-498
Total grants payables(b)	3,312	3,068	-244
Total other payables(b)	2,279	2,425	146
Provisions			
Provisions for tax refunds	2,373	3,493	1,120
Grants provisions(b)	7,588	7,877	289
Personal benefits provisions - direct(a)(b)(c)	6,504	7,609	1,105
Personal benefits provisions - indirect(a)(b)	2,028	2,221	193
Other(b)(c)	15,159	14,794	-365
Total provisions(b)	33,652	35,994	2,342

(a) Implementation of the new Commonwealth Government reporting system provides the ability to distinguish direct and indirect personal benefit liabilities (a GFS distinction). From the 2017-18 MYEFO, these liabilities are separately disclosed.

(b) Consistent with the presentation of the CFS, provisions and payables are separately disclosed from the 2017-18 MYEFO.

(c) From 2017-18 FBO, Child Support Scheme provisions have been reclassified from 'other' provisions to 'personal benefits provisions – direct' to better reflect the nature of benefits provided to households.

Note 19: Reconciliation of cash

	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2018-19 Budget \$m
Net operating balance (revenues less expenses)	-12,612	-4,001	8,611
<i>less</i> Revenues not providing cash			
Other	1,086	2,244	1,158
Total revenues not providing cash	1,086	2,244	1,158
<i>plus</i> Expenses not requiring cash			
Increase/(decrease) in employee entitlements	8,659	10,030	1,371
Depreciation/amortisation expense	8,861	8,792	-69
Mutually agreed write-downs	2,013	1,996	-17
Other	-61	890	951
Total expenses not requiring cash	19,472	21,708	2,236
<i>plus</i> Cash provided/(used) by working capital items			
Decrease/(increase) in inventories	-65	-629	-564
Decrease/(increase) in receivables	-9,242	-11,354	-2,112
Decrease/(increase) in other financial assets	-1,021	-419	602
Decrease/(increase) in other non-financial assets	9	100	91
Increase/(decrease) in benefits, subsidies and grants payable	114	1,131	1,017
Increase/(decrease) in suppliers' liabilities	1,643	240	-1,403
Increase/(decrease) in other provisions and payables	804	1,149	345
Net cash provided/(used) by working capital	-7,758	-9,782	-2,024
<i>equals</i> (Net cash from/(to) operating activities)	-1,985	5,679	7,664
<i>plus</i> (Net cash from/(to) investing activities)	-26,487	-31,461	-4,974
Net cash from operating activities and investment	-28,472	-25,782	2,691
<i>plus</i> (Net cash from/(to) financing activities)	28,696	27,425	-1,271
equals Net increase/(decrease) in cash	224	1,643	1,420
Cash at the beginning of the year	5,140	5,140	0
Net increase/(decrease) in cash	224	1,643	1,420
Cash at the end of the year	5,363	6,783	1,420

Attachment A

FINANCIAL REPORTING STANDARDS AND BUDGET CONCEPTS

The Final Budget Outcome primarily focuses on the financial performance and position of the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 Conceptual framework

AASB 1049 seeks to 'harmonise' ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government's GGS; and information that facilitates assessments of the macroeconomic impact. While AASB 1049 provides a basis for whole-of-government (including the PNFC and PFC sectors) and GGS outcome reporting, budget reporting and budget outcome reporting focuses on the GGS.

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, overriding AASB 10 *Consolidated Financial Statements*. AASB 1049 also follows ABS GFS by requiring changes in net worth to be split into either transactions or 'other economic flows' and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2014*.¹

¹ Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or 'other economic flows'). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.²

A change to the value or volume of an asset or liability that does not result from a transaction is an 'other economic flow'. This can include changes in values from market prices, most actuarial valuations and exchange rates, and changes in volumes from discoveries, depletion and destruction. All 'other economic flows' are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

Operating statement

The operating statement presents details of transactions in revenues, expenses, the net acquisition of non-financial assets (net capital investment) and other economic flows for an accounting period.

Revenues arise from transactions that increase net worth and expenses arise from transactions that decrease net worth. Revenues less expenses gives the net operating balance. The net operating balance is similar to the National Accounts concept of government saving plus capital transfers.

The net acquisition of non-financial assets (net capital investment) equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets.

Other economic flows are presented in the operating statement and outline changes in net worth that are driven by economic flows other than revenues and expenses. Revenues, expenses and other economic flows sum to the total change in net worth during a period. The majority of other economic flows for the Australian Government GGS arise from price movements in its assets and liabilities.

² Not all transactions impact on net worth. For example, transactions in financial assets and liabilities do not impact on net worth as they represent the swapping of assets and liabilities on the balance sheet.

Net operating balance

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets, but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation). By including all accruing costs, including depreciation, the net operating balance encompasses the full current cost of providing government services. This makes it a measure of the sustainability of the government's fiscal position over time and provides an indication of the sustainability of the existing level of government services.

The net operating balance is a flow measure on the operating statement.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. Thus, the fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.³

The fiscal balance measures the Australian Government's investment-saving balance. It measures in accrual terms the gap between government savings plus net capital transfers, and investment in non-financial assets. As such, it approximates the contribution of the Australian Government GGS to the balance on the current account in the balance of payments.

Balance sheet

The balance sheet shows stocks of assets, liabilities and net worth. In accordance with the UPF, net debt, net financial worth and net financial liabilities are also reported in the balance sheet.

Net worth

The net worth of the GGS, PNFC and PFC sectors is defined as assets less liabilities. This differs from the ABS GFS definition for the PNFC and PFC sectors where net worth is defined as assets less liabilities less shares and other contributed capital. Net worth is an economic measure of wealth, reflecting the Australian Government's contribution to the wealth of Australia.

³ The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation is deducted in the calculation of net capital investment as the full investment in non-financial assets is included in the calculation of fiscal balance.

Net financial worth

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. This differs from the ABS GFS definition of net financial worth for the PNFC and PFC sectors, defined as financial assets, less liabilities, less shares and other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors in government results in a purer measure of financial worth than net financial worth, as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed up by physical assets.

Net debt

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans and other borrowing) less the sum of selected financial assets⁴ (cash and deposits, advances paid, and investments, loans and placements). This includes financial assets (excluding equities) held by the Future Fund which are invested in these asset classes, including term deposits and investments in collective investment vehicles. Net debt does not include superannuation related liabilities. Net debt is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue flows to service that debt.

The 2015 ABS GFS Manual presents debt in a matrix format, with no single net debt aggregate identified. The Commonwealth Government continues to report net debt in accordance with the UPF as described above.

⁴ Financial assets are defined as cash, an equity instrument of another entity, a contractual right to receive cash or financial asset, and a contract that will or may be settled in the entity's own equity instruments.

Cash flow statement

The cash flow statement identifies how cash is generated and applied in a single accounting period. The cash flow statement reflects a cash basis of recording (rather than an accrual basis) where information is derived indirectly from underlying accrual transactions and movements in balances. This, in effect, means that transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because cash management is considered an integral function of accrual budgeting.

Underlying cash balance

The underlying cash balance plus net Future Fund earnings is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance.

For the GGS, the underlying cash balance is calculated as shown below:

Net cash flows from operating activities
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>equals</i>
ABS GFS cash surplus/deficit
<i>less</i>
Net acquisitions of assets acquired under finance leases and similar arrangements ⁵
<i>less</i>
Net Future Fund cash earnings
<i>equals</i>
Underlying cash balance

5 The underlying cash balance treats the acquisition and disposal of non-financial assets in the same manner regardless of whether they occur by purchase/sale or finance lease – acquisitions reduce the underlying cash balance and disposals increase the underlying cash balance. However, finance leases do not generate cash flows at the time of acquisition or disposal equivalent to the value of the asset. As such, net acquisitions of assets under finance leases are not shown in the body of the cash flow statement but are reported as a supplementary item for the calculation of the underlying cash balance.

Part 2: Australian Government Financial Statements

Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Government excludes net Future Fund cash earnings from the calculation of the underlying cash balance between 2005-06 and 2019-20. From 2020-21 onwards, net Future Fund cash earnings will be included in the calculation of the underlying cash balance because the Future Fund becomes available to meet the Government's superannuation liabilities from that year.

In contrast, net Future Fund earnings are included in the net operating balance and fiscal balance for all years because superannuation expenses relating to future cash payments are recorded in the net operating balance and fiscal balance.

Net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table 12 of this statement and the historical tables in Appendix B.

Headline cash balance

The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes and net Future Fund earnings to the underlying cash balance.

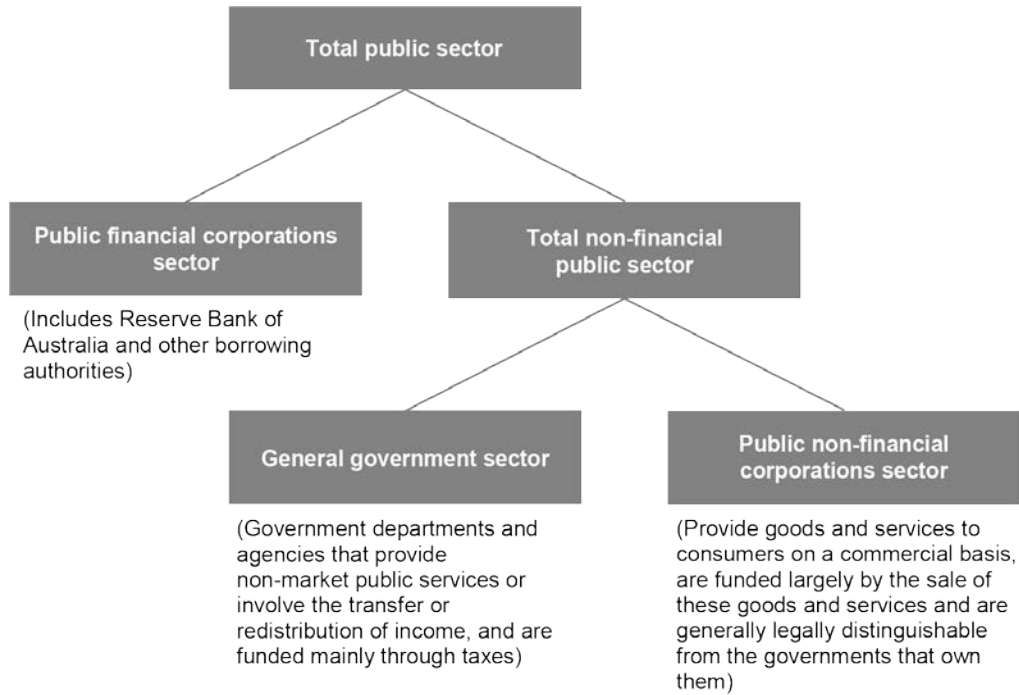
Net cash flows from investments in financial assets for policy purposes include equity transactions and advances paid.⁶ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Advances paid include net loans to the States, and net loans to students.

Sectoral classifications

To assist in analysing the public sector, data are presented by institutional sector as shown in Figure 1. ABS GFS defines the general government sector (GGS); and the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors. AASB 1049 has also adopted this sectoral reporting.

⁶ Net cash flows from investments in financial assets for policy purposes are often referred to as net advances.

Figure 1: Institutional structure of the public sector



All entities are classified as GGS entities except for the following list of portfolio entities that are classified as PFC or PNFC (Table 23).

A table which provides a full list of public sector principal entities under the current portfolio structure is available on the Department of Finance website at: www.finance.gov.au/resource-management/governance/#flipchart.

Table 23: Entities outside of the general government sector - 2017-18

Public financial corporations
Foreign Affairs and Trade Portfolio
<ul style="list-style-type: none">• Export Finance and Insurance Corporation
Jobs and Innovation Portfolio
<ul style="list-style-type: none">• Coal Mining Industry (Long Service Leave Funding) Corporation• CSIRO General Partner Pty Ltd• CSIRO General Partner 2 Pty Ltd
Treasury Portfolio
<ul style="list-style-type: none">• Australian Reinsurance Pool Corporation• National Housing Finance and Investment Corporation*• Reserve Bank of Australia
Public non-financial corporations
Communications and the Arts Portfolio
<ul style="list-style-type: none">• Australian Postal Corporation• NBN Co Limited
Environment and Energy Portfolio
<ul style="list-style-type: none">• Snowy Hydro Limited^
Finance Portfolio
<ul style="list-style-type: none">• ASC Pty Ltd• Australian Naval Infrastructure Pty Ltd
Human Services Portfolio
<ul style="list-style-type: none">• Australian Hearing Services
Infrastructure, Regional Development and Cities Portfolio
<ul style="list-style-type: none">• Airservices Australia• Australian Rail Track Corporation Limited• Moorebank Intermodal Company Limited• WSA Co Ltd
Jobs and Innovation Portfolio
<ul style="list-style-type: none">• ANSTO Nuclear Medicine Pty Ltd

Public non-financial corporations (continued)

Prime Minister and Cabinet Portfolio

- Voyages Indigenous Tourism Australia Pty Ltd

* The National Housing Finance and Investment Corporation (NHFIC), a corporate Commonwealth entity, was established by the *National Housing Finance and Investment Corporation Act 2018* which commenced on 30 June 2018. NHFIC operates an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered providers of affordable housing. The NHFIC bond aggregator is a public financial corporation. NHFIC also administers the National Housing Infrastructure Facility. The Facility is included in the general government sector.

^ The Government obtained full ownership Snowy Hydro Limited in 2017-18 after reaching agreement to acquire the New South Wales and Victorian governments' shares.

PART 3: AUSTRALIA'S FEDERAL RELATIONS

This part provides information on payments to the States and Territories (the States) for specific purposes and general revenue assistance, including the GST entitlement.

Commonwealth payments to the States are framed by the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement), which has been in place since 1 January 2009.

More detailed information on Australia's federal relations can be found in Budget Paper No. 3, *Federal Financial Relations 2018-19* and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive substantial financial support from the Commonwealth. In 2017-18, the Commonwealth provided the States with payments totalling \$120.3 billion, comprising specific purpose payments of \$56.1 billion and general revenue assistance (including GST entitlements) of \$64.2 billion, as shown in Table 25. Payments to the States constituted 26.1 per cent of total Commonwealth expenditure in 2017-18.

Table 25: Commonwealth payments to the States, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	17,221	12,543	12,047	6,739	4,189	1,311	920	1,137	56,107
General revenue assistance	17,734	15,200	15,032	2,974	6,343	2,414	1,307	3,193	64,197
Total payments to the States	34,955	27,744	27,079	9,713	10,532	3,725	2,226	4,330	120,304

PAYMENTS FOR SPECIFIC PURPOSES

The Commonwealth provides payments to the States for specific purposes in policy areas administered by the States, including health, education, skills and workforce development, community services, housing, Indigenous affairs, infrastructure and the environment.

In 2017-18, the Commonwealth provided the following types of specific purpose payments to the States:

- National Specific Purpose Payments (National SPPs) in respect of housing, disability services and skills and workforce development;
- National Health Reform funding for public hospitals;
- Quality Schools funding for government and non-government schools; and
- National Partnership payments across a wide range of policy areas.

National SPPs, National Health Reform and Quality Schools funding

In 2017-18, the Commonwealth continued to provide funding for key service delivery sectors through National SPPs, National Health Reform funding and Quality Schools funding. The National SPPs are:

- the National Skills and Workforce Development SPP;
- the National Disability SPP; and
- the National Affordable Housing SPP.

The States are required to spend each National SPP in the relevant sector. The National SPPs are indexed each year by growth factors specified in the Intergovernmental Agreement.

Payments made throughout the year for National SPPs were made in advance based on Commonwealth estimates of the relevant growth factors. A balancing adjustment is made after the end of the financial year once final growth factor data is available.

The National SPPs are distributed among the States in accordance with population shares based on the Australian Statistician's determination as at 31 December of that year.

The Commonwealth is working with all jurisdictions to implement the National Disability Insurance Scheme (NDIS). When the NDIS is fully implemented in a State, the Disability NSPP is redirected to the National Disability Insurance Agency.

Payments made throughout the year for National Health Reform were made in advance on the basis of advice from the Administrator of the National Health Funding Pool. This funding is calculated by reference to growth in public hospital activity and the national efficient price determined by the Independent Hospital Pricing Authority. The amounts published are for payments made in respect of services delivered in 2017-18, and previous years. The Treasurer will determine the final amount and State allocations for 2017-18 following the Administrator's final reconciliation of activity data.

Quality Schools funding includes recurrent and capital funding for government and non-government schools, funding for non-government representative bodies, and other prescribed-purpose funding. Quality Schools funding is distributed among the States in accordance with the *Australian Education Act 2013* and agreements made under that Act.

Quality Schools is a needs-based funding model introduced in the 2017-18 Budget that aims to improve the educational outcomes of Australian students. Funding is provided to government and non-government schools in all States, which includes recurrent funding, capital funding and special circumstances funding for non-government

schools, funding for non-government representative bodies and other prescribed-purpose funding.

National Partnership payments

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to support the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms.

National Partnerships are typically time-limited, reflecting the nature of the project or reform involved. National Partnership agreements are publicly available at: www.federalfinancialrelations.gov.au.

Total payments for specific purposes

In 2017-18, the States received \$56.1 billion in payments for specific purposes, which constituted 12.2 per cent of total Commonwealth expenditure.

Total payments for specific purposes, including National SPPs, National Health Reform funding, Quality Schools funding and National Partnership payments are shown in Table 26.

Table 26: Total payments for specific purposes by category, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments	1,407	1,135	883	460	307	93	48	44	4,377
National Health Reform funding(a)	6,022	5,022	4,289	2,174	1,349	424	386	271	19,936
Quality Schools Funding	5,732	4,557	3,934	1,796	1,257	426	306	350	18,357
National Partnership payments(b)	4,060	1,830	2,942	2,309	1,276	367	180	472	13,436
Total payments for specific purposes	17,221	12,543	12,047	6,739	4,189	1,311	920	1,137	56,107

(a) Entitlements for 2017-18 will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool, and a subsequent Determination by the Treasurer.

(b) Includes financial assistance grants for local government.

Part 3: Australia's Federal Relations

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding, Quality Schools funding and National Partnership payments, are shown in Table 27.

Table 27: Total payments for specific purposes by sector and category, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)	6,022	5,022	4,289	2,174	1,349	424	386	271	19,936
National Partnerships	85	63	27	225	19	35	2	44	500
Total health payments	6,107	5,085	4,316	2,399	1,367	459	388	315	20,437
<i>Education</i>									
Quality Schools Funding	5,732	4,557	3,934	1,796	1,257	426	306	350	18,357
National Partnerships	147	127	109	57	38	11	9	48	547
Total education payments	5,879	4,684	4,043	1,854	1,295	438	315	398	18,905
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP									
National Partnerships	478	386	300	156	104	32	25	15	1,495
National Partnerships	100	52	39	10	19	8	6	3	237
Total skills and workforce development payments	578	438	339	166	123	39	31	18	1,733
<i>Community services</i>									
National Disability SPP	495	399	310	162	108	33	-	15	1,522
National Partnerships	183	170	190	288	91	23	49	74	1,067
Total community services payments	678	569	500	450	199	56	49	89	2,588
<i>Affordable housing</i>									
National Affordable Housing SPP									
National Partnerships	435	351	273	142	95	29	23	14	1,360
National Partnerships	30	23	216	194	26	3	2	177	671
Total affordable housing payments	465	374	488	336	121	32	24	191	2,031
<i>Infrastructure</i>									
National Partnerships	2,611	537	1,646	1,169	799	152	9	68	6,990
<i>Environment</i>									
National Partnerships	55	207	36	6	83	45	40	5	477
<i>Contingent payments</i>									
National Partnerships	5	3	127	38	..	6	-	9	188
<i>Other</i>									
National Partnerships(b)	843	648	552	323	201	84	64	44	2,759
Total payments for specific purposes	17,221	12,543	12,047	6,739	4,189	1,311	920	1,137	56,107

(a) Entitlements for 2017-18 will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool, and a subsequent Determination by the Treasurer.

(b) Includes financial assistance grants for local government.

Natural Disaster Relief and Recovery Arrangements

The Commonwealth provides funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to assist the States in relief and recovery efforts following eligible natural disasters.

For accounting purposes, the Commonwealth recognises a liability equal to the present value of future payments expected to be made to the States under the NDRRA. This is regardless of whether a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. Total cash payments in 2017-18 are presented in Table 28 below. See Table 43 in Attachment A for the expense outcome.

Table 28: NDRRA cash payments, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	104.5	-	173.6	2.7	4.0	34.4	..	15.6	334.9
Total	104.5	-	173.6	2.7	4.0	34.4	..	15.6	334.9

GENERAL REVENUE ASSISTANCE

General revenue assistance is provided to the States, without conditions, to spend according to their own budget priorities.

In 2017-18, the States received \$64.2 billion in general revenue assistance from the Commonwealth, comprising \$63.1 billion in GST entitlements and \$1.1 billion of other general revenue assistance, as shown in Table 29. Total general revenue assistance to the States constituted 14.0 per cent of total Commonwealth expenditure in 2017-18.

Table 29: General revenue assistance, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	17,689.4	15,178.0	15,032.2	2,268.9	6,343.2	2,413.9	1,266.9	2,931.0	63,123.5
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	39.6	-	39.6
<i>Commonwealth Assistance to the Northern Territory</i>	-	-	-	-	-	-	-	259.6	259.6
<i>Compensation for reduced royalties</i>	-	-	-	28.7	-	-	-	-	28.7
<i>Royalty payments</i>	-	-	-	676.2	-	-	-	2.6	678.9
<i>Snowy Hydro Limited tax compensation</i>	44.4	22.2	-	-	-	-	-	-	66.5
Total other general revenue assistance	44.4	22.2	-	704.9	-	-	39.6	262.2	1,073.2
Total general revenue assistance	17,733.8	15,200.2	15,032.2	2,973.8	6,343.2	2,413.9	1,306.5	3,193.3	64,196.7

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer. This figure reflects the most recent data received from the Australian Taxation Office.

GST payments

Under the Intergovernmental Agreement, the States are entitled to receive payments from the Commonwealth equivalent to the revenue received from the GST. Some adjustments are made to GST revenue in order to calculate the amount of GST paid to the States in any given year.

- Some GST revenue accrued during a financial year is not remitted to the Australian Taxation Office (ATO) by 30 June of that year, because it is not due to be paid until Business Activity Statements (BAS) are lodged the following financial year.
- Penalties owed to the ATO, other than general interest charge (GIC) penalties, are not included in the GST to be paid to the States, as defined in the *Federal Financial Relations Act 2009*.
- Some GST collected by Commonwealth agencies is not remitted to the ATO by 30 June in each financial year, because it is not due to be paid until the next BAS is lodged.

In 2017-18, GST revenue was \$65.3 billion. A reconciliation of GST revenue and the States' GST entitlement is provided in Table 30.

Table 30: Reconciliation of GST revenue and the States' GST entitlement, 2017-18

\$million	Total
GST revenue	65,282
less Change in GST receivables	2,048
GST receipts	63,235
less Non-GIC penalties collected	142
less Net GST collected by Commonwealth agencies but not yet remitted to the ATO	-31
States' GST entitlement(a)	63,123

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer.

The Commonwealth made monthly payments (advances) to the States throughout 2017-18 based on GST estimates, as updated at the 2018-19 Budget. Estimates of the GST were used, as the actual amount of GST revenue for 2017-18 is not known until after the end of the financial year.

For 2017-18, the States' GST entitlement is expected to be \$63.1 billion. This is \$316.5 million lower than the advances paid during 2017-18. Once the Treasurer has made a Determination of the GST entitlement for 2017-18, a balancing adjustment will then be made to each State's payments to ensure the States receive the GST to which they are entitled. Table 31 provides a reconciliation of the States' GST entitlement and GST advances.

Table 31: States' GST entitlement and GST advances, 2017-18

\$million	Total
States' GST entitlement(a)	63,123.5
less Advances of GST made throughout 2017-18	63,440.0
<i>equals</i> Balancing adjustment	-316.5

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer.

Distribution of the GST among the States

The Commonwealth distributes the GST among the States based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission.

Following consultation with the States, the Treasurer issued a Determination of the GST revenue sharing relativities for 2017-18 in April 2017. The relativities for 2017-18 are shown in Table 32.

Table 32: GST relativities, 2017-18

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2017-18	0.87672	0.93239	1.18769	0.34434	1.43997	1.80477	1.19496	4.66024

The detailed calculation for the distribution of the GST entitlement in 2017-18 is shown in Table 33. This method of calculation is prescribed in legislation in the *Federal Financial Relations Act 2009*. The entitlements are allocated using the population as at 31 December 2017, as determined by the Australian Statistician.

Table 33: Calculation of the 2017-18 GST entitlements^(a)

	Population as at 31 December 2017 (1)	GST revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population (per cent) (4)	Share of GST pool (\$million) (5)
NSW	7,915,069	0.87672	6,939,299	28.0	17,689.4
VIC	6,385,849	0.93239	5,954,102	24.0	15,178.0
QLD	4,965,033	1.18769	5,896,920	23.8	15,032.2
WA	2,584,768	0.34434	890,039	3.6	2,268.9
SA	1,728,053	1.43997	2,488,344	10.0	6,343.2
TAS	524,677	1.80477	946,921	3.8	2,413.9
ACT	415,916	1.19496	497,003	2.0	1,266.9
NT	246,726	4.66024	1,149,802	4.6	2,931.0
Total	24,766,091	na	24,762,431	100.0	63,123.5

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer.

Table 34 provides a summary of the advances made in 2017-18 against the States' estimated final entitlements shown in Table 33. The variance between advances paid in 2017-18 and the States' final entitlements will be included as an adjustment to payments in the 2018-19 financial year.

Table 34: Summary of GST advances made in 2017-18 and distribution of the balancing adjustment across States^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	17,689.4	15,178.0	15,032.2	2,268.9	6,343.2	2,413.9	1,266.9	2,931.0	63,123.5
17-18 advances	17,791.3	15,267.7	15,109.7	2,285.1	6,374.5	2,417.5	1,266.4	2,927.8	63,440.0
Balancing adjustment	-101.9	-89.7	-77.5	-16.2	-31.3	-3.6	0.5	3.2	-316.5

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer.

GST administration

States compensate the Commonwealth for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Department of Home Affairs, as shown in Table 35.

Table 35: GST administration, 2017-18

\$million	Actual	
	2016-17	2017-18
Australian Taxation Office budget	682.4	631.1
less Prior year adjustment	-	-
<i>equals</i> State government administration payments	682.4	631.1
less Australian Taxation Office outcome(a)	682.4	631.1
<i>equals</i> Commonwealth budget impact	-	-
plus Prior year adjustment	-	-
<i>equals</i> Following year adjustment	-	-

(a) Estimated outcome for 2017-18 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2017-18 GST administration expense is \$631.1 million.

Attachment A

PAYMENTS TO THE STATES

This attachment provides information on Commonwealth payments to the States and local governments on an accruals basis. Details regarding Commonwealth advances (loans) to the States, including repayments of advances and interest on advances, are provided in Table 47.

The following tables detail payments and other financial flows to the States for 2017-18:

Table 36 – health;

Table 37 – education;

Table 38 – skills and workforce development;

Table 39 – community services;

Table 40 – affordable housing;

Table 41 – infrastructure;

Table 42 – environment;

Table 43 – contingent liabilities;

Table 44 – other purposes;

Table 45 – general revenue assistance;

Table 46 – total payments, presented on the Australian Bureau of Statistics Government Finance Statistics (GFS) functional basis; and

Table 47 – estimated advances, repayment of advances and interest payments.

Table 36: Payments for specific purposes to support State health services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)									
Hospital services	5,898.6	4,922.0	4,211.6	2,133.5	1,321.8	415.9	379.1	267.4	19,549.9
Public health	123.5	99.7	77.5	40.3	27.0	8.2	6.5	3.9	386.6
National Partnership payments									
Health services									
Expansion of the BreastScreen									
Australia program	4.7	3.7	3.0	1.6	1.0	0.3	0.2	0.2	14.7
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Improving Health Services in Tasmania									
Improving patient pathways through clinical and system redesign	-	-	-	-	-	0.6	-	-	0.6
Subacute and acute projects	-	-	-	-	-	10.0	-	-	10.0
Management of Torres Strait/Papua New Guinea cross-border health issues	-	-	9.4	-	-	-	-	-	9.4
Mosquito control and cross border liaison in the Torres Strait	-	-	1.0	-	-	-	-	-	1.0
National Bowel Cancer Screening Program — participant follow-up function	2.0	1.5	1.2	0.6	0.4	0.2	0.2	0.1	6.4
OzFoodNet	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.8
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	16.0	16.0
Vaccine-preventable diseases surveillance	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
Victorian Cytology service	-	10.2	-	-	-	-	-	-	10.2

(a) Entitlements for 2017-18 will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool, and a subsequent Determination by the Treasurer.

Table 37: Payments for specific purposes to support State education services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Quality Schools Funding(a)(b)(c)(d)	5,731.9	4,556.7	3,933.5	1,796.5	1,257.1	426.1	305.8	349.8	18,357.4
National Partnership payments									
MoneySmart Teaching	-	-	-	-	-	-	0.1	-	0.1
National quality agenda for early childhood education and care	6.9	5.4	3.8	1.5	1.6	0.3	0.5	0.3	20.3
National School Chaplaincy Program	11.1	12.6	18.1	7.6	7.5	2.2	0.8	0.5	60.4
Northern Territory remote Aboriginal investment(d)	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	42.5	42.5
Online safety program in schools	1.2	-	0.7	0.4	-	..	-	..	2.4
School Pathways Program	-	-	-	0.6	0.6	-	-	-	1.2
Schools Security Program	1.6	0.9	-	0.2	0.0	-	-	-	2.8
Universal access to early childhood education	125.9	108.2	86.5	47.0	28.0	8.9	7.8	5.1	417.4
Total	5,878.7	4,683.8	4,042.7	1,853.9	1,294.8	437.5	314.9	398.2	18,904.5
<i>Memorandum item — payments for non-government schools included in payments above</i>									
Quality Schools Funding(a)(b)(c)(d)	3,461.5	2,938.8	2,318.3	1,136.4	792.1	238.9	209.8	150.1	11,246.0
National Partnership payments									
Online safety program in schools	0.4	-	0.2	0.1	..	..	-	..	0.7
Schools Security Program	1.6	0.9	-	0.2	0.0	-	-	-	2.8
Total	3,463.5	2,939.7	2,318.5	1,136.7	792.1	238.9	209.8	150.1	11,249.4

(a) Quality Schools funding includes funding for non-government representative bodies.

(b) The 2017-18 Quality Schools funding outcome will be finalised following a Determination by the Minister for Education.

(c) Actual cash payments to non-government schools may be inclusive of GST. However, Final Budget Outcome figures are reported exclusive of GST.

(d) Includes payments for government and non-government schools. However, payments to non-government schools are not shown in the Memorandum item.

Table 38: Payments for specific purposes to support State skills and workforce development services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills and Workforce Development SPP	477.9	385.6	299.8	156.1	104.3	31.7	25.1	14.9	1,495.5
National Partnership payments	99.9	52.2	39.4	9.8	19.1	7.7	6.1	3.1	237.3
Skilling Australians Fund									
Total	577.9	437.8	339.2	165.9	123.5	39.4	31.2	18.0	1,732.8

Table 39: Payments for specific purposes to support State community services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP	494.6	399.0	310.3	161.5	108.0	32.8	-	15.4	1,521.6
National Partnership payments									
Family advocacy and support services	1.7	1.2	1.1	0.7	0.6	0.6	0.6	0.5	7.0
Home and Community Care	-	-	-	194.9	-	-	-	-	194.9
National Occasional Care Program	-	1.2	-	-	0.3	-	-	-	1.5
Northern Territory remote Aboriginal investment									
Community safety component	-	-	-	-	-	-	-	63.0	63.0
Pay equity for the social and community services sector	27.9	92.5	92.0	28.7	24.2	10.3	2.5	2.1	280.1
Payments from the DisabilityCare Australia Fund	-	-	52.8	-	33.0	-	42.5	1.6	129.9
Specialist disability services	153.8	74.0	43.8	-	32.4	11.9	3.0	6.1	324.9
Transition to NDIS in Western Australia	-	-	-	63.8	-	-	-	-	63.8
Women's Safety Package-Technology Trials	-	0.8	0.2	-	0.1	0.3	-	0.2	1.6
Total	677.9	568.7	500.2	449.6	198.6	55.9	48.5	88.9	2,588.3

Table 40: Payments for specific purposes to support State affordable housing services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP	434.7	350.7	272.7	141.9	94.9	28.8	22.8	13.5	1,360.0
National Partnership payments									
First Home Owners Boost(a)	-	-	0.1	-	-	-	-	-	0.1
Homelessness	30.3	23.2	29.4	15.4	9.0	2.9	1.6	5.4	117.2
Northern Territory remote Aboriginal investment									
Remote Australia strategies component	-	-	-	-	-	-	-	27.2	27.2
Remote Housing	-	-	186.2	178.7	17.3	-	-	144.5	526.6
Total	465.0	373.9	488.3	336.1	121.2	31.7	24.4	190.6	2,031.2

(a) This reflects total payments to the States for the First Home Owners Boost. Total recoveries from the States under the First Home Owners Boost are not included.

Table 41: Payments for specific purposes to support State infrastructure services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Infrastructure Investment Program									
Black Spot projects	33.0	20.4	20.7	13.9	7.2	1.7	1.8	1.3	100.0
Bridges Renewal program	12.0	4.7	21.0	4.0	2.9	2.0	-	-	46.5
Developing Northern Australia									
Improving Cattle Supply Chains	-	-	4.5	-	-	-	-	1.2	5.6
Northern Australian Roads	-	-	29.4	48.6	-	-	-	8.4	86.5
Heavy Vehicle Safety and Productivity program	14.9	6.2	14.4	4.2	4.9	0.4	-	1.4	46.4
Improving the national network(a) Investment	-	-	-	-	..	-	-	-	..
Rail Component	-	35.6	45.5	509.0	178.1	15.0	-	-	783.2
Road Component(b)	1,160.4	290.2	1,106.3	479.7	400.0	107.9	1.1	29.1	3,574.6
Supplementary(a)	-	-	-	2.9	-	-	-	-	2.9
Roads to Recovery	197.5	148.3	138.7	103.2	63.0	22.7	6.1	20.0	699.6
Infrastructure Growth Package									
Asset Recycling Initiative	847.8	-	-	-	-	-	-	-	847.8
New Investments	-	8.0	248.0	0.5	134.9	1.5	-	6.3	399.2
Western Sydney Infrastructure Plan	310.0	-	-	-	-	-	-	-	310.0
Interstate road transport	31.9	18.6	6.6	2.8	8.4	0.3	0.3	0.3	69.3
Murray-Darling Basin Regional Economic Diversification Program	-	3.2	1.9	-	-	-	-	-	5.1
Supporting drought-affected communities program	1.3	1.4	8.7	-	-	-	-	-	11.3
WiFi and Mobile Coverage on Trains	2.0	-	-	-	-	-	-	-	2.0
Total	2,610.6	536.6	1,645.8	1,168.7	799.3	151.6	9.3	68.1	6,990.0

(a) Figures represent expenses incurred against prepayments made to the States in prior years.

(b) A portion of Commonwealth funding for road infrastructure is sourced from the additional net revenue received from the reintroduction of biannual indexation excise and excise-equivalent customs duty for all fuels (except aviation fuels), as announced in the 2014-15 Budget.

Table 41: Payments for specific purposes to support State infrastructure services, 2017-18 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Infrastructure Investment Program									
Investment									
Supplementary(a)				2.9	-	-	-	-	2.9
Roads to Recovery	196.1	148.3	138.7	103.2	54.3	22.7	-	12.7	676.1
Supporting drought-affected communities program	1.3	1.4	8.7	-	-	-	-	-	11.3
Total	197.4	149.7	147.4	106.1	54.3	22.7	-	12.7	690.4

(a) Figures represent expenses incurred against prepayments made to the States in prior years.

Table 42: Payments for specific purposes to support State environment services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Assistance for pest animal and weed management in drought-affected areas	1.5	-	1.0	1.0	0.5	-	-	-	4.0
Development of Business Cases for Constraints Measures and Potential Implementation	-	0.1	-	-	-	-	-	-	0.1
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	2.2	2.2
Great Artesian Basin Sustainability Initiative	-	-	0.4	-	-	-	-	-	0.4
Hydrogen Energy Supply Chain Pilot Project	-	10.0	-	-	-	-	-	-	10.0
Implementing water reform in the Murray-Darling Basin	-	6.8	2.0	-	1.5	-	0.3	-	10.6
Kamay 250th Anniversary Project	25.0	-	-	-	-	-	-	-	25.0
Management of Established Pest and Weeds	-	0.3	-	1.0	0.3	0.1	-	-	1.6
Management of the World Heritage Values of the Tasmanian Wilderness	-	-	-	-	-	1.7	-	-	1.7
National fire danger rating system	0.5	-	-	-	-	-	-	-	0.5
Natural disaster resilience	10.2	10.4	15.0	1.6	3.1	2.6	2.6	2.6	48.2
Pest and disease preparedness and response programs	-	0.3	3.7	..	..	20.0	-	-0.5	23.6
South Australian River Murray Sustainability Program	-	-	-	-	25.0	-	-	-	25.0
Irrigation industry assistance	-	-	-	-	-	-	-	-	-
Sustainable Rural Water Use and Infrastructure Program	16.6	162.5	11.3	-	40.8	21.2	37.0	-	289.4
Water Infrastructure Development Fund	1.2	1.8	2.2	2.1	0.5	-	-	0.7	8.5
Feasibility studies	-	15.0	-	-	11.5	-	-	-	26.5
Capital component	-	-	-	-	-	-	-	-	-
Total	55.0	207.2	35.7	5.7	83.2	45.5	39.9	5.1	477.2

Table 43: Payments for specific purposes to support contingent State services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	0.1	-	-	-	-	-	-	-	0.1
Natural Disaster Relief and Recovery Arrangements(a)	5.4	2.7	127.1	37.8	0.2	6.4	-	8.6	188.2
Total	5.5	2.7	127.1	37.8	0.2	6.4	-	8.6	188.2

(a) Figures reflect the expense outcome. Total cash payments made in 2017-18 are presented in Table 28.

Table 44: Payments for specific purposes to support other State services, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Developing demand-driver infrastructure for the tourism industry	7.3	3.6	2.0	1.8	1.0	1.4	0.9	0.8	18.8
Financial assistance to local governments — Financial Assistance Grant program	749.6	580.7	473.6	289.1	158.5	74.9	51.7	34.2	2,412.3
Legal assistance services	77.8	60.1	52.4	30.5	20.0	7.4	5.9	7.3	261.5
North Queensland Stadium	-	-	20.0	-	-	-	-	-	20.0
North Queensland Strata Title Inspection Scheme	-	-	0.8	-	-	-	-	-	0.8
Provision of Fire Services	4.7	3.3	3.2	1.4	1.1	0.3	5.0	2.1	21.1
South Sydney Rabbits' Centre of Excellence	4.0	-	-	-	-	-	-	-	4.0
Supplementary funding to South Australia for local roads	-	-	-	-	20.0	-	-	-	20.0
Total	843.4	647.7	552.0	322.8	200.6	84.0	63.5	44.5	2,758.5
\$million									
Memorandum item — payments direct to local governments included in payments above									
Supplementary funding to South Australia for local roads	-	-	-	-	20.0	-	-	-	20.0
Total	-	-	-	-	20.0	-	-	-	20.0

Table 45: General revenue assistance payments to the States, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	17,689.4	15,178.0	15,032.2	2,268.9	6,343.2	2,413.9	1,266.9	2,931.0	63,123.5
Other payments									
ACT municipal services	-	-	-	-	-	-	39.6	-	39.6
Commonwealth Assistance to the Northern Territory	-	-	-	-	-	-	-	259.6	259.6
Compensation for reduced royalties	-	-	-	28.7	-	-	-	-	28.7
Royalty Payments	-	-	-	676.2	-	-	-	2.6	678.9
Snowy Hydro Limited tax compensation	44.4	22.2	-	-	-	-	-	-	66.5
Total	17,733.8	15,200.2	15,032.2	2,973.8	6,343.2	2,413.9	1,306.5	3,193.3	64,196.7

(a) The 2017-18 GST outcome will be finalised following a Determination by the Treasurer.

Table 46: Total payments to the States by GFS function, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	85.6	65.4	55.6	32.1	21.5	8.5	11.3	73.0	353.0
Education	6,448.0	5,115.3	4,378.1	2,018.0	1,416.7	476.6	345.7	408.1	20,606.5
Health	6,107.3	5,085.0	4,316.2	2,398.8	1,367.5	458.9	387.8	315.2	20,436.7
Social security and welfare	684.1	573.5	504.6	451.6	200.0	55.5	48.6	37.0	2,554.9
Housing and community amenities	477.4	405.2	516.3	339.3	136.2	34.2	27.0	192.6	2,128.1
Recreation and culture	29.0	-	20.0	-	-	1.7	-	-	50.7
Fuel and energy	-	10.0	-	-	-	-	-	-	10.0
Agriculture, forestry and fishing	18.1	170.0	18.4	2.0	68.0	41.2	37.3	-0.5	354.7
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	2,609.4	532.0	1,635.2	1,168.7	799.3	151.6	9.3	68.1	6,973.6
Other economic affairs	7.3	3.6	2.0	1.8	1.0	1.4	0.9	0.8	18.8
Other purposes(a)	18,488.8	15,783.5	15,633.0	3,300.6	6,521.9	2,495.2	1,358.2	3,236.1	66,817.2
Total payments to the States	34,954.9	27,743.7	27,079.4	9,712.9	10,532.0	3,724.7	2,226.1	4,330.4	120,304.1
less payments 'through' the States	3,540.5	3,061.4	2,469.7	1,170.5	839.2	256.2	222.0	170.7	11,730.3
less financial assistance for local governments	749.6	580.7	473.6	289.1	178.5	74.9	51.7	34.2	2,432.3
less payments direct 'to' local governments	197.4	149.7	147.4	106.1	54.3	22.7	-	12.7	690.4
equals total payments 'to' the States for own-purpose expenses	30,467.4	23,951.8	23,988.6	8,147.2	9,460.0	3,370.9	1,952.4	4,112.8	105,451.1

(a) Payments for 'Other purposes' includes general revenue assistance to the States.

Table 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Advances									
Agriculture									
Drought Concessional Loans Scheme	35.0	80.0	50.0	-	10.0	10.0	-	5.0	190.0
Natural disaster relief	1.4	-	0.2	-	-	-	-	-	1.6
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-20.5	-9.4	-20.1	-8.5	-4.8	-3.3	-	-5.0	-71.5
Drought Recovery Loans Scheme	-0.1	-1.0	-0.7	-	-	..	-	-	-1.8
Farm Finance Concessional Loans Scheme	-2.5	-3.6	-1.3	-1.0	-	-0.4	-	..	-8.9
Asbestos Removal in the Australian Capital Territory	-	-	-	-	-	-	-50.0	-	-50.0
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing Agreement loans	-37.5	-	-10.1	-9.7	-2.9	-5.2	-	-0.9	-66.3
Housing for service personnel	-1.8	-	-1.1	-0.3	-0.1	-	-	-	-3.3
Other housing	-	-	-	-	-	-	-8.1	-3.1	-11.3
Infrastructure									
Sewerage	-	-	-	-	-0.2	-	-	-	-0.2
Natural disaster relief	-4.1	-	-12.3	-	-	-	-	-	-16.4
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.6	-	-0.6
Loan Council — housing nominations	-9.8	-	-3.6	-6.2	-4.1	-2.6	-	-3.3	-29.6

Table 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2017-18 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Agriculture									
Drought Concessional Loans Scheme	-3.0	-5.5	-5.7	-0.2	-0.5	-0.7	-	-0.1	-15.6
Drought Recovery Loans Scheme	-0.6	-1.3	-0.5	-	-0.2	-0.1	-	-	-2.7
Farm Finance Concessional Loans Scheme	-1.2	-0.8	-0.7	-0.6	..	-0.4	-	-0.1	-3.7
Asbestos Removal in the Australian Capital Territory Environment	-	-	-	-	-	-	-27.1	-	-27.1
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing Agreement loans	-23.3	-	-6.7	-6.4	-2.0	-3.2	-	-1.1	-42.7
Housing for service personnel	-1.7	-	-1.0	-0.2	-0.1	-	-	-	-2.9
Other housing	-	-	-	-	-	-	-5.9	-2.5	-8.4
Infrastructure									
Sewerage	-	-	-	-	..	-	-	-	..
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	-0.1	-	-0.4	-	-	-	-	-	-0.6
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.4	-	-0.4
Loan Council — housing nominations	-16.9	-	-6.1	-10.3	-7.4	-4.5	-	-5.9	-51.1
Net Financial Flow	-88.8	58.5	-20.1	-43.5	-12.2	-10.3	-92.1	-17.6	-226.1

APPENDIX A: EXPENSES BY FUNCTION AND SUB-FUNCTION

Table A1 sets out Australian Government general government sector expenses by function and sub-function for 2017-18.

Table A1: Australian Government general government sector expenses by function and sub-function

	2016-17 Outcome \$m	2017-18 Estimate at Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
General public services					
Legislative and executive affairs	1,251	1,243	1,212	1,189	-54
Financial and fiscal affairs	6,515	6,383	7,352	7,577	1,194
Foreign affairs and economic aid	6,383	5,669	5,582	5,407	-262
General research	2,695	2,831	3,221	3,009	178
General services	625	828	692	751	-78
Government superannuation benefits	8,811	3,749	6,917	6,589	2,840
Total general public services	26,280	20,703	24,975	24,521	3,818
Defence	28,051	30,051	30,982	29,288	-763
Public order and safety					
Courts and legal services	1,188	1,182	1,267	1,231	49
Other public order and safety	4,001	3,860	3,983	4,113	253
Total public order and safety	5,189	5,042	5,251	5,345	302
Education					
Higher education	9,390	9,627	9,676	9,606	-21
Vocational and other education	2,003	1,845	1,795	1,733	-113
Schools	17,081	18,218	18,299	18,331	113
<i>Non-government schools</i>	10,586	11,136	11,181	11,220	84
<i>Government schools</i>	6,495	7,081	7,118	7,110	29
School education - specific funding	647	663	673	660	-3
Student assistance	3,104	3,144	2,923	2,842	-302
General administration	369	304	380	351	48
Total education	32,594	33,800	33,746	33,523	-277
Health					
Medical services and benefits	30,016	30,995	31,110	31,067	72
Pharmaceutical benefits and services	13,379	12,393	13,206	13,117	724
Assistance to the States for public hospitals	18,638	19,563	20,690	19,936	374
Hospital services	2,343	1,487	1,658	1,584	96
Health services	6,198	6,911	6,885	6,421	-490
General administration	3,063	3,047	3,172	3,043	-4
Aboriginal and Torres Strait Islander health	807	881	882	871	-10
Total health	74,445	75,277	77,603	76,039	762
Social security and welfare					
Assistance to the aged	61,754	64,279	63,865	63,176	-1,103
Assistance to veterans and dependants	6,580	6,272	6,504	6,340	68
Assistance to people with disabilities	30,555	38,538	36,958	34,612	-3,926
Assistance to families with children	36,001	36,936	36,119	35,031	-1,905

Appendix A: Expenses by Function and Sub-Function

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2016-17 Outcome \$m	2017-18 Estimate at Budget \$m	2017-18 Estimate at 2018-19 Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
Social security and welfare (continued)					
Assistance to the unemployed and the sick	11,046	10,038	11,143	10,839	801
Other welfare programs	1,343	1,737	1,838	1,675	-62
Assistance for Indigenous Australians nec	2,167	2,153	2,184	2,200	47
General administration	3,748	4,105	4,010	3,873	-233
Total social security and welfare	153,192	164,059	162,621	157,745	-6,314
Housing and community amenities					
Housing	3,094	3,359	3,340	3,293	-65
Urban and regional development	533	1,083	845	786	-297
Environment protection	998	909	1,250	1,325	416
Total housing and community amenities	4,625	5,351	5,435	5,405	54
Recreation and culture					
Broadcasting	1,484	1,445	1,426	1,536	91
Arts and cultural heritage	1,348	1,361	1,501	1,330	-30
Sport and recreation	382	416	438	416	0
National estate and parks	409	411	427	453	43
Total recreation and culture	3,623	3,632	3,793	3,735	104
Fuel and energy	6,726	6,940	7,515	7,378	438
Agriculture, forestry and fishing					
Wool industry	75	70	89	90	21
Grains industry	201	214	171	190	-25
Dairy industry	54	51	54	53	2
Cattle, sheep and pig industry	200	238	238	234	-5
Fishing, horticulture and other agriculture	315	345	432	370	25
General assistance not allocated to specific industries	34	35	36	36	1
Rural assistance	136	125	136	122	-3
Natural resources development	867	1,133	1,098	750	-383
General administration	745	761	766	769	8
Total agriculture, forestry and fishing	2,626	2,972	3,019	2,613	-359
Mining, manufacturing and construction	3,253	3,825	2,979	2,592	-1,233
Transport and communication					
Communication	663	1,248	911	910	-338
Rail transport	1,383	1,218	1,547	1,450	231
Air transport	216	219	245	563	343
Road transport	6,256	7,024	5,895	5,631	-1,393
Sea transport	369	436	413	391	-45
Other transport and communication	252	274	241	235	-39
Total transport and communication	9,139	10,420	9,252	9,180	-1,240

Appendix A: Expenses by Function and Sub-Function

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2016-17 Outcome \$m	2017-18 Estimate at Budget \$m	2017-18 Estimate at Budget \$m	2017-18 Outcome \$m	Change on 2017-18 Budget \$m
Other economic affairs					
Tourism and area promotion	189	182	182	187	5
Total labour and employment affairs	3,444	3,794	3,832	3,699	-95
<i>Vocational and industry training</i>	1,074	1,222	1,201	984	-238
<i>Labour market assistance to job seekers and industry</i>	1,667	1,847	1,948	2,018	171
<i>Industrial relations</i>	703	725	683	697	-28
Immigration	3,594	3,113	3,960	3,725	612
Other economic affairs nec	2,126	2,322	2,238	2,249	-72
Total other economic affairs	9,354	9,411	10,212	9,861	450
Other purposes					
Public debt interest	16,076	17,154	17,047	17,025	-129
<i>Interest on Commonwealth Government's behalf</i>	16,076	17,154	17,047	17,025	-129
Nominal superannuation interest	8,445	10,392	9,241	9,240	-1,151
General purpose inter-government transactions	64,027	64,274	66,925	66,604	2,329
<i>General revenue assistance - States and Territories</i>	60,554	63,071	64,492	64,171	1,101
<i>Local government assistance</i>	3,473	1,203	2,433	2,432	1,229
Natural disaster relief	162	9	109	188	179
Contingency reserve	0	951	-1,916	0	-951
Total other purposes	88,710	92,780	91,407	93,057	278
Total expenses	447,807	464,262	468,788	460,282	-3,980

APPENDIX B: HISTORICAL AUSTRALIAN GOVERNMENT DATA

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

DATA SOURCES

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS), the Australian Office of Financial Management (AOFM) and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996-97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999-2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998-99 onwards where applicable.
- Cash data prior to 1999-2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999-2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003-04* in 1998-99, ABS cat. no. 5501.0 *Government Financial Estimates 1999-2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* in 1987-88 to 1997-98, and Treasury estimates (see Treasury's *Economic Roundup*, Spring 1996, pages 97-103) prior to 1987-88.

COMPARABILITY OF DATA ACROSS YEARS

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- From 2005-06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Accounting Standards (AAS) which includes International Financial Reporting Standards (IFRS) as adopted in Australia. Prior to 2005-06, underlying GFS data are based on data provided by agencies applying AAS prior to the adoption of IFRS.

Appendix B: Historical Australian Government data

- Most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998-99, ensuring that data are consistent across the accrual period from 1998-99 onwards. However, because of data limitations, these changes have not been back-cast to earlier years.
- Prior to 1999-2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999-2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments.
- Cash data up to and including 1997-98 are calculated under a cash accounting framework, while cash data from 1998-99 onwards are derived from an accrual accounting framework.⁷ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies.
- Adjustments in the coverage of agencies are included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998-99, and subsequent back-casting to account for this change.
- Changes have been made in arrangements for transfer payments, where tax concessions or rebates have been replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction reduce both cash payments and receipts.
- Classification differences in the data relating to the period prior to 1976-77 mean that earlier data may not be entirely consistent with data for 1976-77 onwards.

REVISIONS TO PREVIOUSLY PUBLISHED DATA

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

There have been no material classification changes that have resulted in back-casting in this update.

⁷ Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework were used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 have been replaced by ABS data derived from the accrual framework.

Table B1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a)

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth(e)	Per cent of GDP	\$m	\$m	Per cent of GDP
1970-71	8,290	20.6	7,389	na	18.3	-	901	2.2
1971-72	9,135	20.5	8,249	4.1	18.5	-	886	2.0
1972-73	9,735	19.6	9,388	7.7	18.9	-	348	0.7
1973-74	12,228	20.3	11,078	4.2	18.4	-	1,150	1.9
1974-75	15,643	22.0	15,463	19.9	21.7	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	24.8	-	-2,037	-1.9
1978-79	26,129	22.0	28,272	0.3	23.8	-	-2,142	-1.8
1979-80	30,321	22.6	31,642	1.5	23.5	-	-1,322	-1.0
1980-81	35,993	23.7	36,176	4.6	23.8	-	-184	-0.1
1981-82	41,499	23.6	41,151	2.9	23.4	-	348	0.2
1982-83	45,463	24.0	48,810	6.3	25.8	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	27.6	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	27.4	-	-5,122	-2.0
1986-87	74,724	26.1	77,158	-1.1	27.0	-	-2,434	-0.9
1987-88	83,491	25.8	82,039	-0.9	25.3	-	1,452	0.4
1988-89	90,748	24.7	85,326	-3.1	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	22.9	-	5,942	1.5
1990-91	100,227	24.2	100,665	3.1	24.3	-	-438	-0.1
1991-92	95,840	22.7	108,472	5.7	25.7	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	26.1	-	-18,118	-4.1
1993-94	103,824	22.3	122,009	3.5	26.2	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	25.8	-	-14,160	-2.9
1995-96	124,429	23.6	135,538	1.9	25.7	-	-11,109	-2.1
1996-97	133,592	24.1	139,689	1.7	25.2	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	23.9	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	23.2	-	13,007	2.0
2000-01	182,996	26.0	177,123	9.1	25.1	-	5,872	0.8
2001-02	187,588	24.9	188,655	3.5	25.0	-	-1,067	-0.1
2002-03	204,613	25.6	197,243	1.4	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	24.4	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	24.1	-	13,577	1.5
2005-06	255,943	25.7	240,136	4.6	24.1	51	15,757	1.6
2006-07	272,637	25.1	253,321	2.5	23.3	2,127	17,190	1.6
2007-08	294,917	25.1	271,843	3.8	23.1	3,319	19,754	1.7
2008-09	292,600	23.3	316,046	12.7	25.1	3,566	-27,013	-2.1
2009-10	284,662	21.9	336,900	4.2	25.9	2,256	-54,494	-4.2

Table B1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a) (continued)

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent	\$m	Per cent real	Per cent	\$m	\$m	Per cent
		of GDP		growth(e)	of GDP			of GDP
2010-11	302,024	21.4	346,102	-0.4	24.5	3,385	-47,463	-3.4
2011-12	329,874	22.0	371,032	4.8	24.8	2,203	-43,360	-2.9
2012-13	351,052	22.9	367,204	-3.2	23.9	2,682	-18,834	-1.2
2013-14	360,322	22.6	406,430	7.8	25.5	2,348	-48,456	-3.0
2014-15	378,301	23.3	412,079	-0.3	25.4	4,089	-37,867	-2.3
2015-16	386,924	23.3	423,328	1.3	25.5	3,202	-39,606	-2.4
2016-17	409,868	23.3	439,375	2.0	25.0	3,644	-33,151	-1.9
2017-18	446,905	24.3	452,742	1.1	24.6	4,305	-10,141	-0.6

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) Between 2005-06 and 2017-18, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. Before 2005-06, the underlying cash balance is equal to receipts less payments.

(e) Real spending growth is calculated using the Consumer Price Index as the deflator.

Table B2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a)

			Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	Receipts	Payments		Per cent of GDP		Per cent of GDP
	\$m	\$m	\$m		\$m	
1970-71	8,290	7,389	-851	-2.1	50	0.1
1971-72	9,135	8,249	-987	-2.2	-101	-0.2
1972-73	9,735	9,388	-977	-2.0	-629	-1.3
1973-74	12,228	11,078	-1,275	-2.1	-125	-0.2
1974-75	15,643	15,463	-2,648	-3.7	-2,467	-3.5
1975-76	18,727	20,225	-2,040	-2.5	-3,539	-4.3
1976-77	21,890	23,157	-1,530	-1.6	-2,796	-2.9
1977-78	24,019	26,057	-1,324	-1.3	-3,361	-3.2
1978-79	26,129	28,272	-1,074	-0.9	-3,216	-2.7
1979-80	30,321	31,642	-702	-0.5	-2,024	-1.5
1980-81	35,993	36,176	-962	-0.6	-1,146	-0.8
1981-82	41,499	41,151	-1,008	-0.6	-660	-0.4
1982-83	45,463	48,810	-1,363	-0.7	-4,711	-2.5
1983-84	49,981	56,990	-1,136	-0.5	-8,144	-3.8
1984-85	58,817	64,853	-922	-0.4	-6,959	-3.0
1985-86	66,206	71,328	-810	-0.3	-5,932	-2.3
1986-87	74,724	77,158	-545	-0.2	-2,979	-1.0
1987-88	83,491	82,039	657	0.2	2,109	0.7
1988-89	90,748	85,326	168	0.0	5,589	1.5
1989-90	98,625	92,684	1,217	0.3	7,159	1.8
1990-91	100,227	100,665	1,563	0.4	1,125	0.3
1991-92	95,840	108,472	2,156	0.5	-10,475	-2.5
1992-93	97,633	115,751	2,471	0.6	-15,647	-3.5
1993-94	103,824	122,009	3,447	0.7	-14,738	-3.2
1994-95	113,458	127,619	1,546	0.3	-12,614	-2.6
1995-96	124,429	135,538	5,188	1.0	-5,921	-1.1
1996-97	133,592	139,689	7,241	1.3	1,142	0.2
1997-98	140,736	140,587	15,154	2.6	15,303	2.6
1998-99	152,063	148,175	6,948	1.1	10,837	1.7
1999-00	166,199	153,192	9,500	1.4	22,507	3.4
2000-01	182,996	177,123	5,673	0.8	11,545	1.6
2001-02	187,588	188,655	3,422	0.5	2,355	0.3
2002-03	204,613	197,243	-229	0.0	7,141	0.9
2003-04	217,775	209,785	-452	-0.1	7,538	0.9
2004-05	235,984	222,407	-1,139	-0.1	12,438	1.3
2005-06	255,943	240,136	-1,647	-0.2	14,160	1.4
2006-07	272,637	253,321	7,403	0.7	26,720	2.5
2007-08	294,917	271,843	5,108	0.4	28,181	2.4
2008-09	292,600	316,046	-7,889	-0.6	-31,336	-2.5
2009-10	284,662	336,900	-4,278	-0.3	-56,516	-4.4

Table B2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a) (continued)

			Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	Receipts	Payments		Per cent of GDP		Per cent of GDP
	\$m	\$m	\$m		\$m	
2010-11	302,024	346,102	-7,028	-0.5	-51,106	-3.6
2011-12	329,874	371,032	-5,866	-0.4	-47,023	-3.1
2012-13	351,052	367,204	-4,802	-0.3	-20,954	-1.4
2013-14	360,322	406,430	-6,371	-0.4	-52,479	-3.3
2014-15	378,301	412,079	-5,158	-0.3	-38,936	-2.4
2015-16	386,924	423,328	-12,684	-0.8	-49,088	-3.0
2016-17	409,868	439,375	-13,501	-0.8	-43,008	-2.4
2017-18	446,905	452,742	-20,041	-1.1	-25,878	-1.4

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Prior to 1999-2000, net cash flows from investments in financial assets for policy purposes were referred to as 'net advances'. A negative number reflects a cash outflow, while a positive number reflects a cash inflow.

(c) Headline cash balance is equal to receipts less payments, plus net cash flows from investments in financial assets for policy purposes. Receipts and payments are identical to Table B1.

Table B3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts		Non-taxation receipts		Total receipts(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.6
1971-72	7,895	17.7	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.6
1973-74	10,832	18.0	1,396	2.3	12,228	20.3
1974-75	14,141	19.9	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.6
1980-81	32,641	21.5	3,352	2.2	35,993	23.7
1981-82	37,880	21.6	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.3	8,257	2.9	74,724	26.1
1987-88	75,076	23.2	8,415	2.6	83,491	25.8
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.5	7,852	1.9	98,625	24.4
1990-91	92,739	22.4	7,488	1.8	100,227	24.2
1991-92	87,364	20.7	8,476	2.0	95,840	22.7
1992-93	88,760	20.0	8,873	2.0	97,633	22.0
1993-94	93,362	20.0	10,462	2.2	103,824	22.3
1994-95	104,921	21.2	8,537	1.7	113,458	22.9
1995-96	115,700	21.9	8,729	1.7	124,429	23.6
1996-97	124,559	22.4	9,033	1.6	133,592	24.1
1997-98	130,984	22.3	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.9	14,887	2.3	166,199	25.1
2000-01	170,354	24.2	12,641	1.8	182,996	26.0
2001-02	175,371	23.3	12,218	1.6	187,588	24.9
2002-03	192,391	24.0	12,222	1.5	204,613	25.6
2003-04	206,734	24.0	11,041	1.3	217,775	25.3
2004-05	223,986	24.3	11,999	1.3	235,984	25.6
2005-06	241,987	24.3	13,956	1.4	255,943	25.7
2006-07	258,252	23.8	14,385	1.3	272,637	25.1
2007-08	279,317	23.8	15,600	1.3	294,917	25.1
2008-09	273,674	21.7	18,926	1.5	292,600	23.3
2009-10	262,167	20.2	22,495	1.7	284,662	21.9

Table B3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a) (continued)

	Taxation receipts		Non-taxation receipts		Total receipts(b)	
		Per cent		Per cent		Per cent
	\$m	of GDP	\$m	of GDP	\$m	of GDP
2010-11	282,106	19.9	19,918	1.4	302,024	21.4
2011-12	311,269	20.8	18,606	1.2	329,874	22.0
2012-13	327,835	21.4	23,218	1.5	351,052	22.9
2013-14	340,283	21.3	20,038	1.3	360,322	22.6
2014-15	353,883	21.8	24,418	1.5	378,301	23.3
2015-16	362,387	21.8	24,537	1.5	386,924	23.3
2016-17	379,271	21.6	30,597	1.7	409,868	23.3
2017-18	418,053	22.7	28,853	1.6	446,905	24.3

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets. Receipts are identical to Table B1.

Table B4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.5	3,986	0.9
1993-94	70,223	15.1	5,628	1.2
1994-95	83,492	16.9	7,292	1.5
1995-96	95,831	18.2	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	57,661	8.7	7,514	1.1
2000-01	46,802	6.6	6,195	0.9
2001-02	42,263	5.6	5,352	0.7
2002-03	33,403	4.2	3,758	0.5
2003-04	26,995	3.1	3,040	0.4
2004-05	15,604	1.7	2,502	0.3
2005-06	331	0.0	2,303	0.2
2006-07	-24,288	-2.2	228	0.0
2007-08	-39,958	-3.4	-1,015	-0.1
2008-09	-11,285	-0.9	-1,196	-0.1
2009-10	47,874	3.7	2,386	0.2

Table B4: Australian Government general government sector net debt and net interest payments^(a) (continued)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	90,660	6.4	4,608	0.3
2011-12	153,443	10.3	6,609	0.4
2012-13	159,594	10.4	8,285	0.5
2013-14	209,559	13.1	10,843	0.7
2014-15	245,817	15.2	10,868	0.7
2015-16	303,467	18.3	12,041	0.7
2016-17	322,320	18.3	12,365	0.7
2017-18	341,961	18.6	13,135	0.7

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net debt is equal to the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

(c) Net interest payments are equal to the difference between interest paid and interest receipts.

Table B5: Australian Government general government sector face value of Commonwealth Government Securities (CGS) on issue and interest paid^(a)

	Face value of CGS on issue					
	Total CGS on issue(b)		Subject to Treasurer's Direction(c)		Interest paid(d)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	10,887	27.0	-	-	580	1.4
1971-72	11,490	25.8	-	-	614	1.4
1972-73	12,217	24.6	-	-	675	1.4
1973-74	12,809	21.2	-	-	712	1.2
1974-75	14,785	20.8	-	-	893	1.3
1975-76	17,940	21.5	-	-	1,001	1.2
1976-77	20,845	21.7	-	-	1,485	1.5
1977-78	23,957	22.8	-	-	1,740	1.7
1978-79	28,120	23.7	-	-	2,080	1.8
1979-80	29,321	21.8	-	-	2,356	1.8
1980-81	30,189	19.8	-	-	2,723	1.8
1981-82	31,060	17.7	-	-	3,058	1.7
1982-83	37,071	19.6	-	-	3,580	1.9
1983-84	45,437	21.3	-	-	4,558	2.1
1984-85	54,420	23.2	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.5	-	-	8,339	2.9
1987-88	62,794	19.4	-	-	8,139	2.5
1988-89	56,854	15.5	-	-	8,222	2.2
1989-90	48,399	12.0	-	-	8,064	2.0
1990-91	48,723	11.8	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.3	-	-	6,487	1.5
1993-94	90,889	19.5	-	-	7,709	1.7
1994-95	105,466	21.3	-	-	9,144	1.8
1995-96	110,166	20.9	-	-	10,325	2.0
1996-97	111,067	20.0	-	-	10,653	1.9
1997-98	93,664	15.9	-	-	9,453	1.6
1998-99	85,331	13.8	-	-	9,299	1.5
1999-00	75,536	11.4	-	-	8,509	1.3
2000-01	66,403	9.4	-	-	7,335	1.0
2001-02	63,004	8.4	-	-	6,270	0.8
2002-03	57,435	7.2	-	-	4,740	0.6
2003-04	54,750	6.4	-	-	4,096	0.5
2004-05	55,151	6.0	-	-	3,902	0.4
2005-06	54,070	5.4	-	-	4,628	0.5
2006-07	53,264	4.9	-	-	3,959	0.4
2007-08	55,442	4.7	-	-	3,754	0.3
2008-09	101,147	8.0	95,103	7.6	3,970	0.3
2009-10	147,133	11.3	141,806	10.9	6,411	0.5

Table B5: Australian Government general government sector face value of Commonwealth Government Securities (CGS) on issue and interest paid^(a) (continued)

	Face value of CGS on issue					
	Total CGS on issue(b)		Subject to Treasurer's Direction(c)		Interest paid(d)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	191,292	13.5	186,704	13.2	9,551	0.7
2011-12	233,976	15.6	229,389	15.3	10,875	0.7
2012-13	257,378	16.8	252,791	16.5	11,846	0.8
2013-14	319,481	20.0	316,952	19.9	13,972	0.9
2014-15	368,738	22.7	366,202	22.6	13,924	0.9
2015-16	420,420	25.3	417,936	25.2	14,977	0.9
2016-17	500,979	28.5	498,510	28.4	15,290	0.9
2017-18	531,931	28.9	529,467	28.8	16,568	0.9

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Total CGS on issue includes CGS held on behalf of the States and the Northern Territory, but excludes Commonwealth holdings of CGS.

(c) The face value of CGS subject to the Treasurer's Direction excludes the stock and securities outlined in subsection 51JA(2A) of the *Commonwealth Inscribed Stock Act 1911*. These are the same stock and securities that were excluded from the previous legislative debt limit. CGS on issue subject to the Treasurer's Direction are not available prior to 2008-09 because the limit was first introduced in July 2008.

(d) Interest paid consists of all cash interest payments of the general government sector, including those relating to CGS on issue.

Table B6: Australian Government general government sector revenue, expenses, net operating balance, net operating balance, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net operating balance(b)		Net capital investment		Fiscal balance(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1996-97	141,688	25.5	145,821	26.3	-4,133	-0.7	90	0.0	-4,223	-0.8
1997-98	146,820	25.0	148,652	25.3	-1,832	-0.3	147	0.0	-1,979	-0.3
1998-99	152,106	24.5	146,772	23.7	5,334	0.9	1,433	0.2	3,901	0.6
1999-00	167,304	25.3	155,558	23.5	11,746	1.8	-69	0.0	11,815	1.8
2000-01	186,106	26.4	180,090	25.6	6,016	0.9	8	0.0	6,007	0.9
2001-02	190,432	25.3	192,984	25.6	-2,553	-0.3	382	0.1	-2,935	-0.4
2002-03	206,778	25.8	201,113	25.1	5,665	0.7	287	0.0	5,377	0.7
2003-04	222,042	25.8	215,235	25.0	6,808	0.8	660	0.1	6,148	0.7
2004-05	242,354	26.3	229,092	24.9	13,261	1.4	1,034	0.1	12,228	1.3
2005-06	260,569	26.2	241,665	24.3	18,904	1.9	2,498	0.3	16,406	1.6
2006-07	277,895	25.6	258,761	23.8	19,134	1.8	2,333	0.2	16,801	1.5
2007-08	303,402	25.8	279,862	23.8	23,540	2.0	2,593	0.2	20,948	1.8
2008-09	298,508	23.7	324,387	25.8	-25,879	-2.1	4,064	0.3	-29,943	-2.4
2009-10	292,387	22.5	339,829	26.2	-47,442	-3.7	6,433	0.5	-53,875	-4.1
2010-11	309,204	21.9	356,084	25.2	-46,880	-3.3	5,297	0.4	-52,176	-3.7
2011-12	337,324	22.5	377,220	25.2	-39,896	-2.7	4,850	0.3	-44,746	-3.0
2012-13	359,496	23.4	382,397	24.9	-22,901	-1.5	987	0.1	-23,888	-1.6
2013-14	374,151	23.4	414,500	26.0	-40,349	-2.5	3,850	0.2	-44,198	-2.8
2014-15	379,455	23.4	417,514	25.8	-38,059	-2.3	2,706	0.2	-40,764	-2.5
2015-16	395,055	23.8	428,691	25.8	-33,636	-2.0	3,829	0.2	-37,464	-2.3
2016-17	415,723	23.6	447,807	25.5	-32,084	-1.8	2,876	0.2	-34,960	-2.0
2017-18	456,280	24.8	460,282	25.0	-4,001	-0.2	1,284	0.1	-5,285	-0.3

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net operating balance is equal to revenue less expenses.

(c) Fiscal balance is equal to revenue less expenses less net capital investment.

Table B7: Australian Government general government sector net worth and net financial worth^(a)

	Net worth(b)		Net financial worth(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-10,424	-1.6	-70,414	-10.7
2000-01	-10,287	-1.5	-75,544	-10.7
2001-02	-15,330	-2.0	-81,707	-10.8
2002-03	-18,856	-2.4	-86,456	-10.8
2003-04	-4,740	-0.6	-75,976	-8.8
2004-05	11,066	1.2	-62,372	-6.8
2005-06	14,293	1.4	-63,442	-6.4
2006-07	42,677	3.9	-39,370	-3.6
2007-08	67,122	5.7	-18,428	-1.6
2008-09	15,452	1.2	-75,465	-6.0
2009-10	-50,383	-3.9	-148,930	-11.5
2010-11	-100,504	-7.1	-203,904	-14.4
2011-12	-252,046	-16.8	-360,672	-24.1
2012-13	-207,769	-13.5	-317,843	-20.7
2013-14	-261,596	-16.4	-375,882	-23.6
2014-15	-308,390	-19.0	-427,169	-26.3
2015-16	-423,674	-25.5	-548,028	-33.0
2016-17	-390,897	-22.2	-529,225	-30.1
2017-18	-418,135	-22.7	-562,183	-30.6

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net worth is equal to total assets less total liabilities.

(c) Net financial worth is equal to financial assets less total liabilities.

Table B8: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue		Non-taxation revenue		Total revenue	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	153,409	23.2	13,895	2.1	167,304	25.3
2000-01	175,876	25.0	10,229	1.5	186,106	26.4
2001-02	178,410	23.7	12,022	1.6	190,432	25.3
2002-03	195,319	24.4	11,458	1.4	206,778	25.8
2003-04	210,541	24.5	11,501	1.3	222,042	25.8
2004-05	230,490	25.0	11,863	1.3	242,354	26.3
2005-06	245,846	24.7	14,723	1.5	260,569	26.2
2006-07	262,876	24.2	15,019	1.4	277,895	25.6
2007-08	286,869	24.4	16,534	1.4	303,402	25.8
2008-09	279,303	22.2	19,206	1.5	298,508	23.7
2009-10	268,841	20.7	23,546	1.8	292,387	22.5
2010-11	289,566	20.5	19,639	1.4	309,204	21.9
2011-12	317,413	21.2	19,911	1.3	337,324	22.5
2012-13	338,106	22.0	21,390	1.4	359,496	23.4
2013-14	353,239	22.1	20,912	1.3	374,151	23.4
2014-15	356,321	22.0	23,134	1.4	379,455	23.4
2015-16	369,410	22.3	25,645	1.5	395,055	23.8
2016-17	388,641	22.1	27,082	1.5	415,723	23.6
2017-18	427,403	23.2	28,878	1.6	456,280	24.8

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

Appendix B: Historical Australian Government Data

Table B9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a)

	General government				Public non-financial corporations				Non-financial public sector			
	Receipts(b)	Payments(c)	Underlying cash balance(d)	Cash surplus	Receipts(b)	Payments(e)	Cash surplus	Receipts(b)	Payments(e)	Cash surplus		
1988-89	90,748	85,326	5,421	257	4,177	6,035	257	93,923	90,312	5,678		
1989-90	98,625	92,684	5,942	-5,261	3,926	11,322	-5,261	101,495	102,883	681		
1990-91	100,227	100,665	-438	-2,139	4,804	9,351	-2,139	103,837	108,808	-2,577		
1991-92	95,840	108,472	-12,631	101	3,899	7,713	101	97,937	114,369	-12,530		
1992-93	97,633	115,751	-18,118	-196	4,385	7,819	-196	100,512	122,042	-18,314		
1993-94	103,824	122,009	-18,185	1,482	5,178	6,476	1,482	106,747	126,214	-16,703		
1994-95	113,458	127,619	-14,160	1,956	5,262	7,318	1,956	116,751	132,965	-12,204		
1995-96	124,429	135,538	-11,109	-527	4,927	8,190	-527	126,593	140,963	-11,636		
1996-97	133,592	139,689	-6,099	473	4,782	7,373	473	135,259	143,948	-5,626		
1997-98	140,736	140,587	149	1,119	6,238	7,923	1,119	144,517	145,985	1,268		
1998-99	152,063	148,175	3,889	-353	na	na	-353	na	na	3,536		
1999-00	166,199	153,192	13,007	-2,594	na	na	-2,594	na	na	10,413		
2000-01	182,996	177,123	5,872	391	na	na	391	na	na	6,323		
2001-02	187,588	188,655	-1,067	1,210	na	na	1,210	na	na	65		
2002-03	204,613	197,243	7,370	1,280	27,386	26,105	1,280	na	na	8,651		
2003-04	217,775	209,785	7,990	1,575	27,718	26,142	1,575	238,236	228,664	9,569		
2004-05	235,984	222,407	13,577	1,550	29,621	28,071	1,550	257,946	242,805	15,141		
2005-06	255,943	240,136	15,757	-999	30,875	31,874	-999	278,254	263,421	14,833		
2006-07	272,637	253,321	17,190	-1,759	16,882	18,641	-1,759	285,336	267,719	17,625		
2007-08	294,917	271,843	19,754	-472	7,758	8,231	-472	300,503	277,754	22,800		
2008-09	292,600	316,046	-27,013	-973	7,987	8,960	-973	297,421	321,275	-23,786		
2009-10	284,662	336,900	-54,494	-922	8,419	9,341	-922	290,681	343,816	-52,879		

Table B9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a) (continued)

	General government				Public non-financial corporations				Non-financial public sector				
	Receipts(b)	Payments(c)	Underlying cash balance(d)	Cash surplus	Receipts(b)	Payments(e)	Cash surplus	Receipts(b)	Payments(e)	Cash surplus	Receipts(b)	Payments(e)	Cash surplus
2010-11	302,024	346,102	-47,463	-1,175	8,558	9,733	-1,175	308,258	353,452	-44,911	308,258	353,452	-44,911
2011-12	329,874	371,032	-43,360	-2,002	8,845	10,847	-2,002	336,122	379,266	-42,763	336,122	379,266	-42,763
2012-13	351,052	367,204	-18,834	-3,294	9,766	13,061	-3,294	358,088	377,221	-19,133	358,088	377,221	-19,133
2013-14	360,322	406,430	-48,456	-3,204	11,042	14,246	-3,204	368,521	417,248	-48,726	368,521	417,248	-48,726
2014-15	378,301	412,079	-37,867	-3,880	11,256	15,136	-3,880	386,643	424,229	-37,586	386,643	424,229	-37,586
2015-16	386,924	423,328	-39,606	-6,147	11,606	17,753	-6,147	395,842	438,228	-42,386	395,842	438,228	-42,386
2016-17	409,868	439,375	-33,151	-7,138	12,406	19,543	-7,138	419,433	456,020	-36,587	419,433	456,020	-36,587
2017-18	446,905	452,742	-10,141	-8,153	14,195	22,348	-8,153	457,604	471,451	-13,846	457,604	471,451	-13,846

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

(c) Payments in the general government sector are equal to payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) Between 2005-06 and 2017-18, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. Before 2005-06, the underlying cash balance is equal to receipts less payments.

(e) Payments in the public non-financial corporations and non-financial public sectors are equal to payments for operating activities, purchases of non-financial assets and distributions paid.

na Data not available.

Appendix B: Historical Australian Government Data

Table B10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)
1996-97	141,688	145,821	-4,223	27,431	26,015	-331	na	na	-4,554
1997-98	146,820	148,652	-1,979	29,618	26,999	2,360	na	na	387
1998-99	152,106	146,772	3,901	27,687	26,088	-816	175,891	168,958	3,085
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	175,152	11,721
2000-01	186,106	180,090	6,007	25,869	24,762	-826	207,367	200,246	5,181
2001-02	190,432	192,984	-2,935	26,638	25,341	793	212,462	213,718	-2,142
2002-03	206,778	201,113	5,377	24,339	22,916	1,975	225,989	218,944	7,311
2003-04	222,042	215,235	6,148	25,449	23,444	2,143	241,746	232,934	8,291
2004-05	242,354	229,092	12,228	26,965	25,191	1,473	263,434	248,398	13,700
2005-06	260,569	241,665	16,406	28,143	29,531	-2,442	281,927	264,410	13,964
2006-07	277,895	258,761	16,801	15,443	16,360	-1,763	289,551	271,335	15,038
2007-08	303,402	279,862	20,948	6,854	6,686	-584	308,888	285,179	20,364
2008-09	298,508	324,387	-29,943	6,998	7,576	-1,495	303,309	329,766	-31,438
2009-10	292,387	339,829	-53,875	7,288	7,297	-1,079	298,033	345,483	-54,954
2010-11	309,204	356,084	-52,176	7,563	7,787	-1,446	315,001	362,106	-53,622
2011-12	337,324	377,220	-44,746	8,046	8,238	-2,158	343,722	383,810	-46,904
2012-13	359,496	382,397	-23,888	8,863	9,415	-4,189	366,642	390,094	-28,077
2013-14	374,151	414,500	-44,198	9,537	11,127	-6,070	381,971	423,910	-50,269
2014-15	379,455	417,514	-40,764	9,987	11,850	-4,856	387,719	427,641	-45,620
2015-16	395,055	428,691	-37,464	10,044	12,809	-7,486	403,868	440,270	-44,950
2016-17	415,723	447,807	-34,960	10,894	15,035	-9,918	425,114	461,338	-44,879
2017-18	456,280	460,282	-5,285	12,318	16,934	-10,055	466,661	475,195	-15,255

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

na Data not available.

Table B11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^{(a)(b)}

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
1970-71	5,494	838	6,331	5,643	688	263	-144
1971-72	5,524	868	6,391	5,771	620	-347	-171
1972-73	5,484	863	6,348	6,122	227	-515	-164
1973-74	6,138	791	6,930	6,278	652	-1,049	-162
1974-75	6,797	722	7,519	7,433	87	-914	-116
1975-76	7,125	761	7,886	8,516	-631	-144	-139
1976-77	7,212	796	8,008	8,471	-463	329	-23
1977-78	7,073	855	7,928	8,601	-672	956	1
1978-79	7,066	821	7,887	8,534	-647	1,504	77
1979-80	7,430	770	8,200	8,557	-358	1,689	119
1980-81	7,954	817	8,771	8,815	-45	1,549	151
1981-82	8,208	784	8,992	8,916	75	1,283	147
1982-83	7,861	850	8,712	9,353	-642	1,754	172
1983-84	7,956	910	8,866	10,110	-1,243	2,841	288
1984-85	8,889	981	9,870	10,883	-1,013	3,674	472
1985-86	8,978	1,124	10,102	10,883	-782	4,103	603
1986-87	9,131	1,134	10,265	10,600	-334	4,003	654
1987-88	9,453	1,060	10,512	10,329	183	3,443	567
1988-89	9,628	842	10,470	9,844	625	2,536	516
1989-90	9,555	827	10,382	9,756	625	1,697	479
1990-91	9,153	739	9,893	9,936	-43	1,670	359
1991-92	8,368	812	9,180	10,390	-1,210	2,973	365
1992-93	8,341	834	9,175	10,877	-1,703	5,189	375
1993-94	8,532	956	9,488	11,150	-1,662	6,417	514
1994-95	9,191	748	9,938	11,179	-1,240	7,314	639
1995-96	9,608	725	10,333	11,255	-922	7,958	736
1996-97	10,096	732	10,828	11,322	-494	7,804	769
1997-98	10,511	783	11,294	11,282	12	6,655	664
1998-99	10,852	1,070	11,922	11,617	305	5,650	678
1999-00	11,455	1,127	12,582	11,597	985	4,365	569
2000-01	12,010	891	12,901	12,487	414	3,299	437
2001-02	11,882	828	12,710	12,782	-72	2,863	363
2002-03	12,500	794	13,294	12,815	479	2,170	244
2003-04	12,983	693	13,677	13,175	502	1,695	191
2004-05	13,566	727	14,293	13,470	822	945	152
2005-06	14,012	808	14,820	13,904	912	19	133
2006-07	14,269	795	15,064	13,997	950	-1,342	13
2007-08	14,630	817	15,447	14,239	1,035	-2,093	-53
2008-09	13,618	942	14,559	15,726	-1,344	-562	-60
2009-10	12,552	1,077	13,629	16,131	-2,609	2,292	114

Table B11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^{(a)(b)} (continued)

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
2010-11	12,919	912	13,831	15,849	-2,174	4,152	211
2011-12	13,692	818	14,511	16,321	-1,907	6,750	291
2012-13	13,859	982	14,841	15,524	-796	6,747	350
2013-14	13,798	813	14,611	16,480	-1,965	8,497	440
2014-15	13,906	960	14,866	16,193	-1,488	9,660	427
2015-16	13,829	936	14,765	16,154	-1,511	11,580	459
2016-17	13,995	1,129	15,124	16,213	-1,223	11,893	456
2017-18	14,896	1,028	15,924	16,132	-361	12,185	468

(a) Data have been revised in the 2017-18 Final Budget Outcome to improve accuracy and comparability through time.

(b) The real levels are derived using the Consumer Price Index (CPI). The current reference period for the CPI is 2011-12, which means the real levels per capita are reported in 2011-12 dollars. The ABS periodically updates the reference period for the CPI.